

**BILL SUPPLEMENT**

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THE WRITTEN LAWS (FINANCIAL PROVISIONS) (AMENDMENT) ACT, 2022

ARRANGEMENT OF SECTIONS

*Short Title*

PART I  
PRELIMINARY PROVISIONS

1. Short title.
2. Amendment of certain written laws.

PART II  
AMENDMENT OF THE EXCISE (MANAGEMENT AND TARIFF) ACT,  
(CAP. 147)

3. Construction.
4. Amendment of section 128.
5. Amendment of Fourth Schedule.

PART III  
AMENDMENT OF THE INCOME TAX ACT,  
(CAP. 332)

6. Construction.
7. Amendment of section 10.

PART IV  
AMENDMENT OF THE MINING ACT,  
(CAP. 123)

8. Construction.
9. Amendment of section 87.

PART V  
AMENDMENT OF THE ROAD AND FUEL TOLLS ACT,  
(CAP. 220)

- 10. Construction.
- 11. Amendment of section 8.

PART VI  
AMENDMENT OF THE VALUE ADDED TAX ACT,  
(CAP. 148)

- 12. Construction.
- 13. Amendment of section 6.
- 14. Addition of section 55A.
- 15. Amendment of Schedule.

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NOTICE  
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This Bill to be submitted to the National Assembly is published for general information to the public together with a statement of its objects and reasons.

Dodoma,  
14<sup>th</sup> September, 2022

HUSSEIN A. KATTANGA  
*Secretary to the Cabinet*

A Bill

*for*

An Act to impose and alter certain taxes and duties and to amend certain written laws relating to the collection and management of public revenues.

ENACTED by the Parliament of the United Republic of Tanzania.

PART I  
PRELIMINARY PROVISIONS

Short title                    1. This Act may be cited as the Written Laws (Financial Provisions) (Amendment) Act, 2022.

Amendment of certain laws                    2. The written laws specified in various Parts of this Act are amended in the manner specified in their respective Parts.

PART II  
AMENDMENT OF THE EXCISE (MANAGEMENT AND TARIFF) ACT,  
(CAP. 147)

Construction Cap. 147                    3. This Part shall be read as one with the Excise (Management and Tariff) Act, hereinafter referred to as the “principal Act”.

Amendment of section 128

4. The principal Act is amended in section 128 by adding immediately after subsection (2A) the following:

“(2B) Notwithstanding the provisions of subsection (1), the Minister shall, upon approval by the Cabinet and by order published in the *Gazette*, remit excise duty on goods imported or purchased for implementation of strategic investment or special strategic investment approved by the National Investment Steering Committee under the Tanzania Investment Act.”.

Cap.38

Amendment of Fourth Schedule

5. The principal Act is amended in the Fourth Schedule by deleting the words “Tshs. 2,466.45 per litre” appearing in the sixth column under the description “Other” in HS Codes 2204.10.00, 2204.21.00, 2204.22.00, 2204.29.00, 2204.30.00, 2205.10.00 and 2205.90.00 respectively and substituting for them the words “Tshs. 5,600 per litre”.

PART III  
AMENDMENT OF THE INCOME TAX ACT,  
(CAP. 332)

Construction Cap. 332

6. This Part shall be read as one with the Income Tax Act, hereinafter referred to as the “principal Act”.

Amendment of section 10

7. The principal Act is amended in section 10(3)(b) by adding the words “strategic investment or” immediately after the words “for a” appearing at the beginning of subparagraph (iii)”.

PART IV  
AMENDMENT OF THE MINING ACT,  
(CAP. 123)

Construction Cap. 123

8. This Part shall be read as one with the Mining Act, hereinafter referred to as the “principal Act”.

Amendment of section 87

9. The principal Act is amended section 87(1), by-

(a) adding immediately after paragraph (e) the following:

“(f) in the case of phosphates ore solely and directly used in manufacturing of fertilisers duly certified by the Ministry responsible for industries, of one per centum;”;

and

(b) renaming paragraphs (f) and (g) as paragraphs (g) and (h) respectively.

PART V  
AMENDMENT OF THE ROAD AND FUEL TOLLS ACT,  
(CAP. 220)

Construction  
Cap. 220                 10. This Part shall be read as one with the Road and  
Fuel Tolls Act, hereinafter referred to as the “principal Act”.

Amendment of  
section 8                 11. The principal Act is amended in section 8, by-

(a) adding immediately after subsection (1) the  
following:  
                                  “(2) Notwithstanding the provisions of  
                                  subsection (1), the Minister shall, upon  
                                  approval by the Cabinet and by order published  
                                  in the *Gazette*, exempt strategic investments or  
                                  special strategic investments approved by the  
                                  National Investment Steering Committee under  
                                  the Tanzania Investment Act from payment of  
                                  fuel tolls.”; and

(b) renumbering subsection (2) as subsection (3).

PART VI  
AMENDMENT OF THE VALUE ADDED TAX ACT,  
(CAP. 148)

Construction  
Cap. 148                 12. This Part shall be read as one with the Value  
Added Tax Act, hereinafter referred to as the “principal Act”.

Amendment of  
section 6                 13. The principal Act is amended in section 6 by  
adding the words “strategic investments or” immediately after  
the words “implementation of” appearing in subsection (1A).

Addition of  
section 55A                 14. The principal Act is amended by adding  
immediately after section 55 the following:  
                                  “Zero rating                 55A. A supply of a locally  
                                  of fertiliser                 manufactured fertilizer shall be zero-  
  rated.”.

Amendment of  
Schedule                 15. The principal Act is amended in the Schedule-

(a) in Part I, by adding immediately after item 29 the  
following:

“

S/N	DESCRIPTION
30.	A supply of locally manufactured sisal bags of HS Code 6305.90.00

”

(b) in Part II, by adding the figure “7229.90.00, immediately after the figure “4016.93.00” appearing in item 33.

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#### OBJECTS AND REASONS

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This Bill proposes amendment to Six laws, namely the Excise (Management and Tariff) Act, Cap. 147, the Income Tax Act, Cap. 332, the Mining Act, Cap. 123, the Public Finance Act, Cap. 348, the Road and Fuel Tolls Act, Cap. 220 and the Value Added Tax Act, Cap. 148.

The Bill is divided into Seven Parts. Part I deals with preliminary provisions which include the title of the Bill and the manner in which the laws proposed to be amended are amended in their respective Parts.

Part II of the Bill proposes to amend the Excise (Management and Tariff) Act, Cap 147, whereby section 128 is amended by adding a new subsection (2B) to empower the Minister to remit excise duty on goods to be used for implementation of strategic or special strategic investment approved by the National Investment Steering Committee. The proposed amendment aims at harmonising the provisions of the Act and of the Tanzania Investment Act in order to enable grant of incentives to investors. Further, the Fourth Schedule is proposed to be amended by increasing the excise duty rates for imported wines of fresh grapes. The aim of the proposed amendment is to promote local grape farming and create a sustainable market for locally grown grapes.

Part III of the Bill proposes to amend the Income Tax Act, Cap 332, whereby section 10 is amended so as to include strategic investment approved by the National Investment Steering Committee within the scope of areas for which the Minister may grant income tax exemption. The aim is to harmonise the provisions of the Act and of the Tanzania Investment Act in order to enable grant of incentives to investors.

Part IV of the Bill proposes to amend the Mining Act, Cap 123. Section 87(1) is amended by adding a new paragraph (e) so as to provide for the rate of royalty to be paid by a miner of phosphates are used in the manufacture of fertilisers. The said section is proposed to be amended with a view to reducing the royalty rate from 3% to 1%.

Part V of the Bill proposes to amend the Road and Fuel Tolls Act, Cap. 220. Section 8 is proposed to be amended so as to empower the Minister to exempt strategic or special strategic investment approved by the National Investment Steering Committee from payment of fuel tolls. The proposed amendment aims at harmonising the provisions of the Act and of the Tanzania Investment Act in order to enable grant of incentives to investors.

Part VI of the Bill proposes to amend the Value Added Tax Act, Cap 148, whereby section 6 is proposed to be amended so as to include strategic investment approved by the National Investment Steering Committee within the scope of areas for which the Minister may grant value added tax exemption. The aim is to harmonise the provisions of the Act and of the Tanzania Investment Act in order to enable grant of incentives to investors.

A new section 55A is proposed to be introduced in order to zero-rate value added tax on locally manufactured fertiliser. The aim of the amendment is to provide relief to local farmers and users of fertiliser by reducing the production cost for local producers of fertiliser. It is further proposed to amend the Schedule so as exempt value added tax on locally manufactured sisal bags and wire of other alloy steels imported for manufacture of gas cylinders. The aim for value added tax exemption on sisal bags is to enhance production of sisal bags by local manufacturers and boost sisal farming in the country.

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MADHUMUNI NA SABABU

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Muswada huu unapendekeza kufanya mrekebisho katika Sheria tano ambazo ni Sheria ya Ushuru wa Bidhaa, Sura ya 147, Sheria ya Kodi ya Mapato, Sura ya 332, Sheria ya Ushuru wa Barabara na Mafuta, Sura ya 220 na Sheria ya Kodi ya Ongezeko la Thamani, Sura ya 148.

Muswada huu umegawanyika katika Sehemu Kuu Sita. Sehemu ya Kwanza inahusu masharti ya utangulizi ambayo yanajumuisha jina la Muswada na namna ambavyo Sheria mbalimbali zinapendekezwa kurekebisha katika Sehemu husika.

Sehemu ya Pili ya Muswada inapendekeza kurekebisha Sheria ya Ushuru wa Bidhaa, Sura ya 147, ambapo kifungu cha 128 kinapendekezwa kurekebisha ili kumuwezesha Waziri kusamehe ushuru kwenye bidhaa zitakazotumika katika utekelezaji wa miradi ya uwekezaji mahiri na mahiri maalumu itakayoidhinishwa na Kamati ya Taifa ya Uwekezaji. Marekebisho yanayopendekezwa yanalenga kuwianisha masharti ya Sheria hii na masharti ya Sheria ya Uwekezaji Tanzania ili kuboresha utekelezaji wa vivutio vitakavyotolewa kwa wawekezaji. Aidha, Jedwali la Nne linapendekezwa kurekebisha kwa kuongeza ushuru wa bidhaa kwenye mvinyo unaotokana na zao la zabibu unaoingizwa nchini. Lengo la marekebisho yanayopendekezwa ni kuhakikisha upatikanaji wa soko la zabibu zinazolimwa nchini.

Sehemu ya Tatu ya Muswada inapendekeza kurekebisha Sheria ya Kodi ya Mapato, Sura ya 332, ambapo kifungu cha 10 kinarekebisha ili kujumuisha uwekezaji mahiri ulioidhinishwa na Kamati ya Taifa ya Uwekezaji katika wigo wa maeneo ambayo Waziri mwenye dhamana ya masuala ya fedha anaweza kutoa msamaha wa kodi ya mapato. Lengo la marekebisho yanayopendekezwa ni kuwianisha masharti ya Sheria hii na masharti ya Sheria ya Uwekezaji Tanzania ili kuboresha utekelezaji wa vivutio vitakavyotolewa kwa wawekezaji.

Sehemu ya Nne ya Muswada inapendekeza kufanya marekebisho katika Sheria ya Madini, Sura ya 123. Kifungu cha 87(1) kinarekebisha ili kubainisha kiwango cha mrabaha kwa malighafi za mbolea zinazochimbwa hapa nchini. Kwa mujibu wa marekebisho yanayopendekezwa, kiwango cha mrabaha kinapunguzwa kutoka asilimia 3 hadi asilimia 1. Lengo la marekebisho haya ni kutoa nafuu kwa wazalishaji wa ndani wa bidhaa za mbolea.

Sehemu ya Tano ya Muswada inapendekeza kufanya marekebisho katika Sheria ya Ushuru wa Barabara na Mafuta, Sura ya 220. Kifungu cha 8 kinarekebisha ili kumpa Waziri mamlaka ya kusamehe ushuru wa mafuta kwa miradi ya



uwekezaji mahiri na mahiri maalumu itakayoidhinishwa na Kamati ya Taifa ya Uwekezaji. Marekebisho yanayopendekezwa yanalenga kuwianisha masharti ya Sheria hii na masharti ya Sheria ya Uwekezaji Tanzania ili kuboresha utekelezaji wa vivutio vitakavyotolewa kwa wawekezaji.

Sehemu ya Sita ya Muswada inapendekeza kurekebisha Sheria ya Kodi ya Ongezeko la Thamani, Sura ya 148, ambapo maboresho yanapendekezwa katika kifungu cha 6 ili kujumuisha uwekezaji mahiri ulioidhinishwa na Kamati ya Taifa ya Uwekezaji katika wigo wa maeneo ambayo Waziri mwenye dhamana ya masuala ya fedha anaweza kutoa msamaha wa kodi ya ongezeko la thamani. Lengo la marekebisho yanayopendekezwa ni kuwianisha masharti ya Sheria hii na masharti ya Sheria ya Uwekezaji Tanzania ili kuboresha utekelezaji wa vivutio vitakavyotolewa kwa wawekezaji.

Aidha, kifungu kipya cha 55A kinapendekezwa kuongezwa ili kutoza kodi ya ongezeko la thamani kwa kiwango cha 0 kwa mbolea inayozalishwa ndani ya nchi. Lengo la marekebisho haya ni kuleta unafuu kwa wakulima na watumiaji wa mbolea kwa kupunguza gharama za uzalishaji kwa viwanda vinavyozalisha mbolea hapa nchini. Inapendekezwa pia kurekebisha Jedwali ili kusamehe kodi ya ongezeko la thamani kwa magunia ya mkonge yanayotengenzwa nchini na malighafi nyingine zinazotumika kutengeneza mitungi ya gesi. Lengo la kusamehe kodi kwenye magunia ya mkonge ni kuongeza uzalishaji wa magunia hayo kwa viwanda vya ndani na kuchochea kilimo cha mkonge nchini.

Dodoma,  
13 Septemba , 2022

MLNM  
*WFM*