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Laws

Act

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1976

# The Finance Act, 1976

Tanzania, United Republic

Ministry of Finance and Planning

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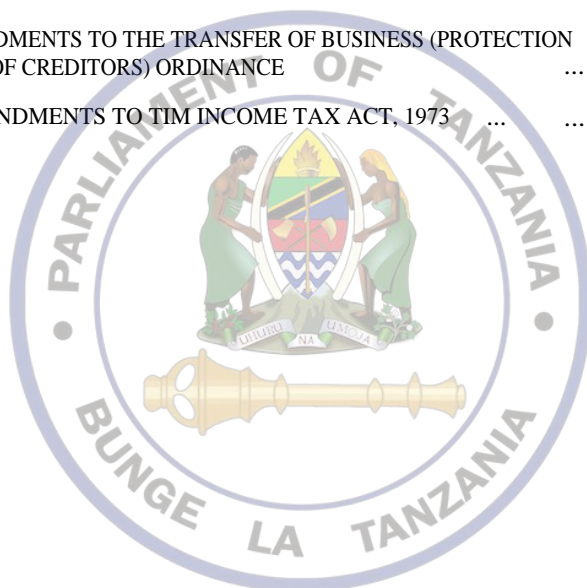
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# THE FINANCE ACT, 1976

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## THE UNITED REPUBLIC OF TANZANIA



No. 7 OF 1976

I ASSENT,

*Tulius K. Kyere*  
President

31<sup>st</sup> JULY, 1976

**An Act to impose and alter certain Taxes and Duties and to amend certain Written Laws relating to Taxes and Duties and for purposes connected therewith and incidental thereto**

[.....]

ENACTED by the Parliament of the United Republic of Tanzania.

1. This Act may be cited as the Finance Act, 1976.

Short title

**PART I**

## AMENDMENTS TO THE CUSTOMS TARIFF ACT, 1969

2.--(1) This Part shall be read as one with the Customs Tariff Act, 1969 and shall be deemed to have come into operation on 18th June, 1976.

Construc-  
tion  
and  
commence-  
ment  
Acts, 1969  
No. 54

(2) The passage "*(same)*" appearing in the amendments made by this Part to the First Schedule and the Second Schedule to the Customs Tariff Act, 1969 means that, except as specifically amended by this Part, the tariff heading or the import duty or, as the case may be, the suspended duty (according to the column in which the tariff number in relation to which such passage appears) shall continue the same as it was immediately prior to the coming into operation of this Part.

3. The First Schedule to the Customs Tariff Act, 1969 is amended by substituting, save where the passage "*(same)*" appears, for the entries in the column headed "Tariff Heading" and the entries in the column headed "Import Duty" opposite the following tariff numbers the following respective new entries: -

Amend-  
ment to  
the First  
Schedule

<i>Tariff No.</i>	<i>Tariff Heading</i>	<i>Import Duty</i>
10.01	(same) ... ..	Free
10.05	(same) ... ..	10%
11.07	(same) ... ..	50%
15.07	(same) ... ..	50%
	A. (same) ... ..	(same)
	B. (same) ... ..	(same)
	C. (same) ... ..	40%
16.04	(same) ... ..	50%
17.04	(same) ... ..	60%
18.04	(same) ... ..	30%
18.05	(same) ... ..	30%
11.06	(same) ... ..	60%
19.02	Preparations of flour meal, starch or malt extract, of a kind used as infant food or for dietetic or culinary purposes, containing less than fifty per cent by weight of cocoa:	
	A. Infant food mix ... ..	10%
21.06	B. Other (same) ... ..	50%
	A. (same) ... ..	30%
	B. (same) ... ..	(same)
	C. (same) ... ..	(same)
21.07	Food preparations not elsewhere specified or included:	
	A. Infant food mix ... ..	10%
	B Milk foods especially prepared for infants ... ..	50 P.
	C. Other food preparations ... ..	50 P.
22.05	(same) ... ..	
	A. (same) ... ..	(same)
	(1) (same) ... ..	(same)
	(2) (same) ... ..	Per litre Shs. 5/- or 75%
	B. (same) ... ..	
	(1) (same) ... ..	Per litre Shs. 8/- or 75%
	(2) (same) ... ..	Per litre, Shs. 5/50 or 75%
22.06	(same) ... ..	
	A. (same) ... ..	(same)
	B (same) ... ..	Per litre Shs. 5/- or 75%
27.10	(same) ... ..	
	A. (same) ... ..	(same)
	B. (same) ... ..	(same)
	C. (same) ... ..	(same)
	D. (same) ... ..	
	(1) (same) ... ..	(same)
	(2) (same) ... ..	(same)
	E. (same) ... ..	(same)
	F. (same) ... ..	(same)
	G. (1) (same) ... ..	(same)
	(2) (same) ... ..	(same)
	H. (same) ... ..	(same)

<i>Tariff No.</i>	<i>Tariff Heading</i>	<i>Import Duty</i>
	I. (same)	Per litre Shs. 1/30.
27.12	(same)	Per kg. Shs. 1/45
27.13	(same)	Per kg. Cents 40
27.14	(same)	Per kg. Cents 10
27.15	(same)	Per kg. Cents 10
27.16	(same)	Per kg. Cents 40
32.04	(same)	
	A. (same)	50%
	B. (same)	(same)
32.12	(same)	40%
33.01	(same)	
	A. (same)	50%
	B. (same)	40%
35.03	(same)	
	A. (same)	30%
	B. (same)	(same)
37.02	(same)	40%
37.07	(same)	
	A. (same)	(same)
	B. (same)	(same)
	C. (same)	
	(1) (same)	Per metre Cents 10
	(2) (same)	Per metre Cents 20
	(3) (same)	Per metre Cents 90
39.01/06	(same)	
	A. (same)	(same)
	B. (same)	(same)
	C. Sheet, film and foil (other than polyethylene) of a kind used for the manufacture of packing materials	10%
	D. (same)	(same)
43.03	Articles of apparel and clothing accessories of leather or of composition leather:	
	A. Boxing gloves	10%
	B. Other	50%
47.01	(same)	• 20%
48.01	(same)	
	A. (same)	
	(1) (same)	40%
	(2) (same)	*30%
	(3) (same)	*20%
	B. (same)	*20%
	C. (same)	
	(1) (same)	20%
	(2) (same)	(same)
48.04	(same)	*20%
48.05	(same)	• 20%
48.06	(same)	40%
48.07	(same)	
	A. (same)	(same)
	B. (same)	30%

Tariff NO.	Tariff Heading							Import
48.10	(same)	...	...	...	...	...	...	40%
48.14	(same)	...	...	...	...	...	...	40%
	A. (same)	...	...	...	...	...	...	40%
	D. (same)	...	...	...	...	...	...	40%
48.15	(same)	...	...	...	...	...	...	(same)
	A. (same)	...	...	...	...	...	...	40%
	B. (same)	...	...	...	...	...	...	*20%
48.16	A. (same)	...	...	...	...	...	...	*20%
	B. (same)	...	...	...	...	...	...	40%
48.17	(same)	...	...	...	...	...	...	40/o
48.18	(same)	...	...	...	...	...	...	40%
48.19	(same)	...	...	...	...	...	...	40%
51.04	(same)	...	...	...	...	...	...	40%
	A. (same)	...	...	...	...	...	...	(same)
	(i) (same)	...	...	...	...	...	...	(same)
	(ii) (same)	...	...	...	...	...	...	(same)
	B. (same)	...	...	...	...	...	...	Per sq. metre Shs. 4/- or 45%
	C. (same)	...	...	...	...	...	...	Per sq. metre Shs. 4/- or 45%
55.07/09	(same)	...	...	...	...	...	...	(same)
	A. (same)	...	...	...	...	...	...	(same)
	(i) (same)	...	...	...	...	...	...	(same)
	(ii) (same)	...	...	...	...	...	...	(same)
	B. (same)	...	...	...	...	...	...	(same)
	C. (same)	...	...	...	...	...	...	Per sq. metre Shs. 4/- or 45%
	D. (same)	...	...	...	...	...	...	Per sq. metre Shs. 4/- or 45%
	E. (same)	...	...	...	...	...	...	Per sq. metre Shs. 4/- or 45%
56.07	(same)	...	...	...	...	...	...	(same)
	A. (same)	...	...	...	...	...	...	per sq. metre Shs. 4/- or 45%
	B. (same)	...	...	...	...	...	...	Per sq. metre Shs. 4/- or 45%
	C. (same)	...	...	...	...	...	...	Per sq. metre Shs. 4/- or 45%
60.06	(same)	...	...	...	...	...	...	Per kg. Shs. 36/- or 45%
	A. (same)	...	...	...	...	...	...	(same)
	B. (same)	...	...	...	...	...	...	(same)
	(1) (same)	...	...	...	...	...	...	(same)
	(2) (same)	...	...	...	...	...	...	(same)
	C. (same)	...	...	...	...	...	...	100%
63.01	(same),	...	...	...	...	...	...	100%
64.01/04	Footwear:	...	...	...	...	...	...	
	A. Athletic shoes, football boots and other similar specialized sports footwear	...	...	...	...	...	...	10%
	B. Footwear not having uppers, and shoes having rubber or rope soles and uppers of cotton fabric	...	...	...	...	...	...	Per pair Shs. 3/- or 40%
	C. other	...	...	...	...	...	...	40%
68.12	(same)	...	...	...	...	...	...	30%
	A. (same)	...	...	...	...	...	...	(same)
	B. (same).	...	...	...	...	...	...	(same)
	C. (same)	...	...	...	...	...	...	(same)
	D. (same)	...	...	...	...	...	...	(same)

<i>Tariff No.</i>	<i>Tariff Heading</i>	<i>Import Duty</i>
68.13	(same)	
	A. (same) ... ..	30%
	B. (same) ... ..	30%
	C. (same) ... ..	(same)
	D. (same) ... ..	30%
70.08	(same) ... ..	40%
70.09	(same) ... ..	40%
70.13	(same) ... ..	40%
70.20	(same)	
	A. (same) ... ..	(same)
	B. (same) ... ..	10%
73.13	(same)	
	A. (same)	
	(1) (same) ... ..	(same)
	(2) (same) ... ..	(same)
	B. (same)	
	(1) (same) ... ..	(same)
	(2) (a) (same) ... ..	15%
	(b) (same) ... ..	15%
	C. (same)	
	(1) (same) ... ..	(same)
	(2) (same) ... ..	(same)
	D. (same) ... ..	15%
	E. (same) ... ..	(same)
73.23	(same) ... ..	30%
73.27	(same)	
	A. (same) ... ..	30%
	B. (same) ... ..	(same)
76.10B	(same) ... ..	30%
82.01	(same) ... ..	10%
83.15	(same) ... ..	30%
84.20	(same)	
	A. (same) ... ..	(same)
	B. (same) ... ..	30%
84.51	(same) ... ..	40%
84.52	(same) ... ..	40%
84.54	(same) ... ..	40%
84.55	(same) ... ..	40%
84.64	(same)	
	A. (same) ... ..	30%
	B. (same) ... ..	(same)
85.15	(same)	
	A. (same) ... ..	Each Shs. 50/- or 60%
	B. (same) ... ..	(same)
	C. (same) ... ..	(same)
	D. (same) ... ..	(same)
85.20	(same)	
	A. (same) ... ..	40%
	B. (same) ... ..	(same)
87.02	(same)	
	A. (same)	
	1. (same) ... ..	(same)
	2. (same) ... ..	(same)
	3. (same) ... ..	(same)
	4. (same) ... ..	(same)
	5. (same) ... ..	(same)





- (c) in chapter 48 which relates to paper and paper-board, by substituting, save where the passage "(same)" appears, for the entries in the column headed "Suspended Import Duty" and the entries in the columns headed "Amount.. Provided" and "Amount Imposed" opposite the following tariff numbers the following respective new entries: -

<i>"Related Heading</i>	<i>Article</i>						<i>Suspended Import Duty Amount Provided</i>	<i>Amount, imposed</i>
48.01A (2) (same)	...	...	...	...	...	...	20 per cent	Nil
48.01A (3) (same)	...	...	...	...	...	...	20 per cent	Nil
48.01B (same)	...	...	...	...	...	...	20 per cent	Nil
48.04 (same)	...	...	...	...	...	...	20 per cent	Nil
48.05 (same)	...	...	...	...	...	...	20 per cent	Nil
48.16A (same)	...	...	...	...	...	...	20 per cent	Nil
48.16B (same)	...	...	...	...	...	...	20 per cent	Nil".

5. The Third Schedule to the Customs Tariff Act, 1969 is amended-

- (a) in Part A, by deleting paragraph (c) of item, 3 (which relates to airplanes and airplane engines and spare parts thereof) and substituting therefor the following new paragraph: -

"(c) Aircraft and aircraft engines and spare parts thereof; air navigational instruments, lighting, radio and radar apparatus and equipment of a specialized nature for the repair of aircraft, specialized aircraft loading and unloading equipment, aircraft maintenance and servicing equipment, ground signs, stairways for boarding aircraft; catering stores;" -

- (b) in Part B, by deleting paragraph (1) of item 1 and substituting therefor the following new paragraph: -

"(1) Any of the following goods which are imported for use by any airline designated under an air services agreement between the Government of Kenya, the Government of Uganda and the Government of Tanzania and a foreign government: -

Aircraft, aircraft engines, parts and accessories thereof; air navigational instruments; lighting, radio, and radar apparatus and equipment; equipment of a specialized nature for the repair, maintenance and servicing of an aircraft on the ground; specialized aircraft loading and unloading equipment; ground signs, stairways for boarding aircraft, catering stores."

Amend-  
ments to  
the Third  
Schedule

## PART II

## AMENDMENTS TO THE SALES TAX ACT, 1969

Construc-  
tion and  
commence-  
ment  
Acts, 1969  
No. 30

**6.** This Part shall be read as one with the Sales Tax Act, 1969 and shall be deemed to have come into operation on 18th June, 1976.

Section 4  
amended

**7.** Section 4 of the Sales Tax Act, 1969 is amended in subsection (1) by deleting paragraph (b) and substituting therefor the following paragraph: -

- "(b) any scheduled article manufactured in Tanganyika.  
by the manufacturer-  
(i) upon sale of the article by him, or  
(ii) upon the article ceasing to be subject to Excise  
control; or  
(iii) upon removal of the article from the premises  
where it is manufactured,  
whichever first occurs;-

Section 14  
repealed  
and  
replaced

**8.** Section 14 of the Sales Tax Act, 1969 is repealed and replaced by the following section: -

"Entry of  
scheduled  
articles  
and ware-  
housing

**14.** The provisions of the Customs Act relating to the entry and warehousing of goods liable to import duty shall apply *mutatis mutandis* to the entry and warehousing of scheduled articles."

Amendments  
to the First  
Schedule

**9.** The First Schedule to the Sales Tax Act, 1969 is amended by deleting the rates of tax provided in relation to the following articles and substituting therefor the following new rates: -

"Tariff Number	Tariff Heading	Sales Tax Rate
17.01	Beet sugar and cane sugar, solid	Sh. 1/60 per kilo.
22.01	Waters, including spa waters and aerated waters; ice and snow:	
	A. Spa waters aerated waters	Shs. 2/25 per litre.
22.02	Lemonade, flavoured spa waters and flavoured aerated waters, and other non-alcoholic beverages, not including fruit and vegetable juice falling within heading No. 20.07:	
	A. Lemonade, flavoured spa waters and flavoured aerated waters	Shs. 2/25 per litre.
	B. Other	Shs. 2/60 per litre.
22.03	Beer:	
	A. Made from malt	Shs. 6/70 per litre.
	B. Stout	Shs 7/60 per litre.
	C. Chibuku	Sh. - 1/- per litre.
22.09	Spirits (other than those of heading No. 22.08) liqueurs and other spirituous beverages; compound alcoholic preparations (known as "concentrated extracts") for the manufacture of beverages:	
	A. Spirits manufactured by the distillation of Moshi by a distiller licensed under the Moshi (Manufacture and Distillation) Act, 1966	Shs. 37/50 per litre.

<i>Tariff No.</i>	<i>Tariff Heading</i>	<i>Sales Tax Rate</i>
24.02	B. Other:	
	(2) Cigarettes-where the ex-factory selling price per thousand cigarettes exclusive of Sales Tax and Excise Duty:	
	(i) does not exceed Shs. 25/-...	50% and in addition thereto Shs. 13/- per 1,000 cigarettes
	(ii) exceeds Shs 25/- but does not exceed Shs. 37156	55% and in addition thereto Shs. 16/- per 1,000 cigarettes
50.09/	Woven fabric of silk of noil silk or of other waste	
10	silk ... ..	90%
51.04	Woven fabric of man-made fibres (continuous) including woven fabrics of monofil or strip of heading No. 51.01/03:	
	A. Rayon ... ..	60%
	B. Other Fibres ... ..	90%
52.02	Woven fabrics of metal thread or of metallised yarn, of a kind used in articles of apparel, as furnishing fabrics or the like ...	60%
53.11/	Woven fabrics of sheeps' or lambs' wool, of horsehair	
13	or of other animal hair ... ..	90%
54.05	Woven fabrics of flax or ranning	90%
55.07/	Woven fabrics of cotton:	
09		
	C. Printed khanga ... ..	55%
	D. Other ... ..	60%
56.07	Woven fabrics of man-made fibres (discontinuous or waste):	
	A. Rayon ... ..	60%
	B. Other Fibres ... ..	90%
58.04	Woven pile fabrics and chenille fabrics (other than terry towelling or similar terry fabrics of cotton falling within heading No. 55 07/09 and fabrics failing within heading No. 58.65):	
	A. Cotton ... ..	60%
	B. Rayon ... ..	60%
	C. Other fibres ... ..	90%
58.08	Tulle and other net fabrics (but not including woven, knitted or crocheted fabrics), plain:	
	B. Other ... ..	60%
58.09/	Tulle and other net fabrics (but not including woven, knitted or crocheted fabrics), figured; hand or mechanically made lace or embroidery, in the piece, in strips or in motifs:	
10		
	A. Of cotton or rayon ... ..	60%
	B. Of other fibres ... ..	90%
59.11	Rubberised textile fabrics, other than rubberised, knitted or crocheted goods:	
	B. Other ... ..	60%
59.13	Elastic fabrics and trimmings (other than knitted or crocheted goods) consisting of textile materials combined with rubber threads	60%
60.01	Knitted or crocheted fabrics, not elastic or rubberised:	

<i>Tariff No.</i>	<i>Tariff Heading</i>	<i>Sales Tax Rate</i>
	A. Of cotton or rayon ... ..	60%
	B. Of other fibres ... ..	90%
60.06	Knitted or crocheted fabric and articles thereof elastic or rubberised (including elastic kneecaps and elastic stockings):	
	A. Fabric:	
	(1) Of cotton or rayon ... ..	60%
	(2) Of other fibres ... ..	90%
62.02	Bed-linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles:	
	A. Bed sheets, bed spreads, curtains, table cloths, glass cloths and towels:	
	(2) Cotton, other:	
	(b) Other ... ..	60%
	(3) Of rayon:	
	(b) Other ... ..	60%
	(4) Of other fibres:	
	(b) Other ... ..	90%
	C. Other:	
	(2) Other:	
	(a) Of cotton or rayon ... ..	60%
	(b) Of other fibres ... ..	90%

### PART III

#### AMENDMENTS TO THE EXPORT TAX ACT, 1974

Construc-  
tion  
Acts, 1974  
No. 17

Amendment  
to the  
Schedule

**10.** This Part shall be read as one with the Export Tax Act, 1974 and shall be deemed to have come into operation on 18th June, 1976.

**11.** The Schedule to the Export Tax Act, 1974 is amended-

(a) by deleting item 8 (which relates to Cotton Lint) and substituting therefor the following item: -

"8. Cotton Lint:

- (i) Where the f.o.b. price at which it is sold by the Tanzania Cotton Authority does not exceed Shs. 8/- per kilogram ... .. Nil.
- (ii) Where the f.o.b. price at which it is sold by the Tanzania Cotton Authority exceeds Shs. 8/- but does not exceed Shs. 10/- per kilogram ... .. 10 per cent.
- (iii) Where the f.o.b. price at which it is sold the Tanzania Cotton Authority exceeds Shs. 10/- but does not exceed Shs. 11/- per kilogram ... .. Sh. 1/- per kilogram and in addition thereto, in respect of each kilogram 25 per cent of the price in excess of Shs. 10/-.
- (iv) Where the f.o.b. price at which it is sold by the Tanzania Cotton Authority exceeds Shs. 11/- but does not exceed Shs. 12/- per kilogram ... .. Sh. 1/25 per kilogram and in addition thereto, in respect of each kilogram 35 per cent of the price in excess of Shs. 11/-.

- (v) Where the f.o.b. price at which it is sold by the Tanzania Cotton Authority exceeds Shs. 12/- per kilogram ... .. Sh. 1/60 per kilogram and in addition thereto, in respect of each kilogram 45 per cent of the price in excess of Shs. 12/-".

(b) by deleting item 11 (which relates to Sisal) and substituting therefor the following item- -

"11. Sisal (that is to say, processed machined or carded fibre, or two of the plant, *Agave Sisalana* or other species of *Agave* or its hybrids):

- (i) Where the f.o.b. price at which it is sold by the Tanzania Sisal Authority does not exceed Sh. 2,500/- per tonne ... .. Nil
- (ii) Where the f.o.b. price at which it is sold by the Tanzania Sisal Authority exceeds Shs. 2,500/- per tonne but does not exceed Shs. 2,700/- per tonne ... In respect of each tonne, 15 per cent of the price
- (iii) Where the f.o.b. price at which it is sold by the Tanzania Sisal Authority exceeds Shs. 2,700/- but does not exceed Shs. 3,500/- per tonne ... .. Shs. 405/- per tonne and in addition thereto, in respect of each tonne, 25 per cent of the price in excess of Shs. 2,700/-
- (iv) Where the f.o.b. price at which it is sold by the Tanzania Sisal Authority exceeds Shs. 3,500/- per tonne but does not exceed Shs. 5,500/- per tonne ... Shs. 605/- per tonne and in addition thereto, in respect of each tonne, 45 per cent of the price in excess of Shs. 3,500/-
- (v) Where the f.o.b. price at which it is sold by the Tanzania Sisal Authority exceeds Shs. 5,500/- per tonne ... .. Shs. 1,505/- per tonne and in addition thereto, in respect of each tonne, 60 per cent of the price in excess of Shs. 5,500/-".

#### PART IV

##### AMENDMENTS TO THE BANK OF TANZANIA AM 1965

**12.** This Part shall be read as one with the Bank of Tanzania Act, 1965 and shall be deemed to have come into operation on 18th June, 1976.

Construction and commencement Acts, 1966 No. 12

Section 21  
repealed  
and  
replaced

**13.** Section 21 of the Bank of Tanzania Act, 1965 is repealed and replaced by the following section: -

"Exemption  
from  
income tax

**21.** The Bank shall be exempted from income tax."

## PART V

### AMENDMENTS TO THE LAND (RENT AND SERVICE CHARGE) ACT, 1974

Construe-  
tion  
Acts, 1974  
No. 19

**14.** This Part shall be read as one with the Land (Rent and Service Charge) Act, 1974.

Section 11  
amended

**15.** Section 11 of the Land (Rent and Service Charge) Act, 1974 is amended by deleting paragraph (b) of subsection (1) and substituting therefor the following paragraph: -

"(b) if such amount remains unpaid by the owner for more than thirty days after the due date, the rate of the additional land rent prescribed by paragraph (a) shall be increased by ten per centum of the amount of land rent remaining unpaid in respect of each period of thirty days or part thereof after such date during which such amount remains unpaid, and such additional land rent by way of penalty shall become and be payable by such owner accordingly."

## PART VI

### AMENDMENT TO THE BUSINESS LICENSING ACT, 1972

construc-  
tion  
Acts, 1972  
No. 25  
Section 2  
amended

**16.** This Part shall be read as one with the Business Licensing Act, 1972.

**17.** Section 2 of the Business Licensing Act, 1972 is amended in subsection (1) by inserting in the appropriate alphabetical positions the following definitions: -

"travel agent" includes any person who for reward undertakes to provide members of the public in relation to travel within or outside Tanganyika, transport, whether by air, sea, railway or road (including procurement of tickets), accommodation, professional advice on travel and other travel matters, and also includes any person who for reward operates as an agent of a transporter for the purpose of soliciting custom for such transporter;



"transporter" means any person who operates any transport service whether by sea, air, railway or road for the carriage of passengers;"

**18.** Section 10A of the Business Licensing Act, 1972 is amended in subsection (3) by deleting the full-stop at the end thereof and adding thereto the following passage: -

Section 10A  
amended

"or at the expiration of sixty days from the date on which the permit was granted, whichever is the earlier."

**19.** Section 27 of the Business Licensing Act, 1972 is amended in subsection (1) by renumbering paragraphs (d) and (e) as paragraphs (f) and (9) respectively and by inserting immediately below paragraph (c) the following paragraph:

Section 27  
amended

"(d) providing for the refund of licence fees and prescribing the circumstances and the manner in which such refund may be made;"

## PART VII

### AMENDMENTS TO THE TRANSFER OF BUSINESS (PROTECTION OF CREDITORS) ORDINANCE

**20.** This Part shall be read as one with the Transfer of Business (Protection Of Creditors) Ordinance (hereinafter in this Part referred to as "the Ordinance").

Construction  
Cap. 398

**21.** The Ordinance is amended by adding the following new section immediately below section I -

Section 1A  
added

"Interpretation

**1A.** In this Ordinance, unless the context otherwise requires,

"debt" includes any tax, levy, fee or Penalty due to the Government under any written law"

**22.** Section 2 of the Ordinance is amended by renumbering that section as subsection (1) of section 2 and by adding the following subsection:

Section 2  
amended

"(2) The provisions of this section shall extend and apply in relation to any income tax or other tax due or which may, on assessment or reassessment, become due from the transferor in respect of his income from the business earned Prior to the date of the transfer, whether or not at the date of the transfer the amount of such tax had been assessed or ascertained".

## PART VIII

## AMENDMENTS To THE INCOME TAX AM 1973

Construction and commencement Acts, 1973 No. 33

**23.-(1)** This Part shall be read as one with the Income Tax Act, 1973 and shall, subject to the provisions of subsections (2) and (3), be deemed to have come into operation on 1st July, 1976.

(2) The provisions of section 25 shall be deemed to have come into operation on 18th June, 1976.

(3) The provisions of section 27 shall be deemed to have come into operation on 1st June, 1976.

Section 2 amended

**24.** Section 2 of the Income Tax Act, 1973 is amended in subsection (1) by deleting the definition "incapacitated person" and substituting therefor the following definition: -

" "incapacitated person" means a minor or any individual who is substantially blind or physically crippled or substantially mentally retarded or who is adjudged under any law, whether of the United Republic or of any other country, to be of unsound mind;"

Section 13 amended

**25.** Section 13 of the Income Tax Act, 1973 is amended-

- (a) by deleting the words "or sells any motor vehicle owned by him in the United Republic" which occur in the second and third lines of subsection (1);
- (b) by deleting the words "or such vehicle" which occur in the first line of paragraph (a) of subsection (1);
- (c) by deleting the words "or such vehicle" and the words "or vehicle" which occur respectively in the first and second lines and the third line of paragraph (b) of subsection (1); and
- (d) by deleting the words "or to the sale of any vehicle" which occur in the second line of subsection (3).

Section 17 amended

**26.** Section 17 of the Income Tax Act, 1973 is -amended in subsection (2) by deleting paragraph (g) and substituting therefor the following paragraph: -

"(g) any interest on capital, wages, salary, commission or any other remuneration paid to any partner, or drawings of a partner from the partnership, in the ascertainment of - the partnership income."



27. Section 33 of the Income Tax Act, 1973, is amended in subsection (IA) by inserting in the second line immediately after the word 'tax', the passage "(other than additional tax chargeable under section 78)". Section 33 amended

28. Section 99 of the Income Tax Act, 1973 is amended in subsection (2), by deleting the full-stop at the end of sub-paragraph (ii) of paragraph (b), substituting a colon therefor and adding the following proviso to that subsection- Section 99 amended

"Provided that where any person is assessed under section 79 (2) (b), 79 (3) or 83 and the due date, if the assessment had been made under section 79 (2) (a), would have passed at the time such assessment under the said section 79 (2) (b), 79 (3) or 83, the due date upon such assessment shall be the date on which the notice of assessment is served on such person."

29. Section 112 of the Income Tax Act, 1973 is amended in subsection (1) by deleting the full-stop at the end thereof, substituting a Colon therefor and adding the following proviso:- Section 112 amended

"Provided that the Commissioner may, in his discretion, apply the amount of tax refundable towards the satisfaction of tax (if any) which may become due from such person in the next ensuing year of income to the extent of such tax,."

30. The Third Schedule to the Income Tax Act, 1973 is deleted and replaced by the following Schedule- Third Schedule deleted and replaced

### **THIRD SCHEDULE**

(Sections 2 (1) and 33)

#### **RATES OF TAX**

1. The individual rates of tax shall be:-

<i>Monthly Income</i>	<i>Rate Payable</i>
Where such income does not exceed Shs. 380/-	Shs. 0/00
Where such income exceeds Shs. 380/- but does not exceed Shs. 381/-	Shs. 0/75
Where such income exceeds Shs. 381/- but does not exceed Shs. 382/-	Shs. 1/50
Where such income exceeds Shs. 382/- but does not exceed Shs. 383/-	Shs. 2/25
Where such income exceeds Shs. 383/- but does not exceed Shs. 384/-	Shs. 3/00
Where such income exceeds Shs. 384/- but does not exceed Shs. 385/-	Shs. 3/75
Where such income exceeds Shs. 385/- but does not exceed Shs. 386/-	Shs. 4/50
Where such income exceeds Shs. 386/- but does not exceed Shs. 387/-	Shs. 5/25
Where such income exceeds Shs. 387/- but does not exceed Shs. 388/-	Shs. 6/00
Where such income exceeds Shs. 388/- but does not exceed Shs. 389/-	Shs. 6/75

**THIRD SCHEDULE- (contd.)**

Where such income exceeds Shs. 389/- but does not exceed Shs. 390/-	Shs. 7/50
Where such income exceeds Shs. 390/- but does not exceed Shs. 391/-	Shs. 8/25
Where such income exceeds Shs. 391/- but does not exceed Shs. 392/-	Shs. 9/00
Where such income exceeds Shs. 392/- but does not exceed Shs. 393/-	Shs. 9/75
Where such income exceeds Shs. 393/- but does not exceed Shs. 394/-	Shs. 10/50
Where such income exceeds Shs. 394/- but does not exceed Shs. 395/-	Shs. 11/25
Where such income exceeds Shs. 395/- but does not exceed Shs. 396/-	Shs. 12/00
Where such income exceeds Shs. 396/- but does not exceed Shs. 397/-	Shs. 12/75
Where such income exceeds Shs. 397/- but does not exceed Shs. 398/-	Shs. 13/50
Where such income exceeds Shs. 398/- but does not exceed Shs. 399/-	Shs. 14/25
Where such income exceeds Shs. 399/- but does not exceed Shs. 400/-	Shs. 15/00
Where such income exceeds Shs. 400/- but does not exceed Shs. 1,000/-	Shs. 15/00 and in addition thereto 20 per cent of the amount in excess of Shs. 400/-
Where such income exceeds Shs. 1,000/- but does not exceed Shs. 2,000/-	Shs. 135/- and in addition thereto 25 per cent of the amount in excess of Shs. 1,000/-
Where such income exceeds Shs. 2,000/- but does not exceed Shs. 3,000/-	Shs. 385/- and in addition thereto 30 per cent of the amount in excess of Shs. 2,000/-
Where such income exceeds Shs. 3,000/- but does not exceed Shs. 4,000/-	Shs. 685/- and in addition thereto 40 per cent of the amount in excess of Shs. 3,000/-
Where such income exceeds Shs. 4,000/- but does not exceed Shs. 5,000/-	Shs. 1,085/- and in addition thereto 55 per cent of the amount in excess of Shs. 4,000/-
Where such income exceeds Shs. 5,000/- but does not exceed Shs. 7,000/-	Shs. 1,635/- and in addition thereto 70 per cent of the amount in excess of Shs. 5,000/-

## THIRD SCHEDULE-(contd.)

Where such income exceeds Shs. 7,000/- but does not exceed

Shs. 10,000/- ... Shs. 3,035/- and in addition thereto 80 per cent of the amount in excess of Shs. 7,000/-

Where such income exceeds Shs. 10,000/- but does not exceed

Shs. 15,000/- ... Shs. 5,435/- and in addition thereto 85 Per cent of the amount in excess of Shs. 10,000/-

Where such income exceeds Shs. 15,000/- but does not exceed

Shs. 20,000/- ... Shs. 9,685/- and in addition thereto 90 per cent of the amount in excess of Shs. 15,000/-

Where such income exceeds Shs. 20,000/- ...

Shs. 14,185/- and in addition thereto 95 Per cent of the amount in excess of Shs. 20,000/-

Note:- Where the income of an individuals not solely derived from employment the tax payable from his income for any year of income shall be calculated as follows:-

- (a) his total income in the year of income shall be divided by 12;
- (b) tax shall be assessed on the amount of income arrived at under paragraph (a) as if such amount of income were his monthly income;
- (c) the tax assessed under paragraph (b) shall be multiplied by 12.

2. The partnership rate of tax shall be four shillings and fifty cents in each twenty shillings.

3. The administration rate of tax shall be five shillings in each twenty shillings.

4. The corporation rate of tax shall be ten shillings in each twenty shillings save in the case of-

- (a) the total income of a non-resident corporation having a permanent establishment in the United Republic when the rate shall be eleven shillings in each twenty shillings; and
- (b) that part of the total income of a corporation which relates to income derived from the mining of specified minerals when the rate shall be four shillings and fifty cents in respect of each twenty shillings of such part of the total income:

Provided that the rate shall be ten shillings in each twenty shillings of such part of the total income from the fifth year, and in each subsequent year, after the first year in which such corporation is liable or would, but for the provisions of subsection (4) of section 16 of this Act, become liable to pay corporation tax.

5. The non-resident withholding tax rates shall be-

- (a) in respect of any management or Professional fee, twenty per cent of the gross amount Payable;
- (b) in respect of any royalty, twenty Per cent of the gross amount payable;
- (C) in respect of any rent, Premium or like consideration for the use or occupation of Property, thirty per cent of the gross amount payable;
- (d) in respect of any dividend, ten per cent of the amount payable;
- (e) in respect of any interest, twelve and one-half per cent of the gross amount payable;

**THIRD SCHEDULE- (contd.)**

- (f) in respect of any pension or retirement annuity, twelve and one-half per cent of that portion of the gross amount payable which exceeds five thousand shillings in any year of income:

Provided that where the amount is payable to a non-resident who is a resident of a country with whom the Government of the United Republic has arrangements for relief of double taxation whereby such pension or retirement annuity payable to such non-resident in such a country would be eligible for relief of double taxation then the whole of the pension or annuity shall be taxed at the rate of twelve and one-half per cent.

6. The resident withholding tax rates shall be-

- (a) in respect of any dividend, ten per cent of the amount payable;  
(b) in respect of any interest, twelve and one-half per cent of the gross amount payable.

7. The capital gains tax rate shall be four shillings in each twenty shillings."

Transi-  
tional  
provisions

**31.-(1)** In the case of a person other than an individual the rates of tax specified in the Third Schedule to the Income Tax Act, 1973 as replaced by this Act shall apply in relation to the year of income ending on or after 1st July, 1976.

(2) No person whose accounting period for the year of income 1976 would not normally have ended on a day between 1st June, 1976 and 1st July, 1976 shall so alter the accounting period as to end on a date earlier than 1st July, 1976.

Passed in the National Assembly on the twenty-first day of July, 1976.

  
Clerk of the National Assembly