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Laws

Act

1977

The Finance Act, 1977

Tanzania, United Republic

Ministry of Finance

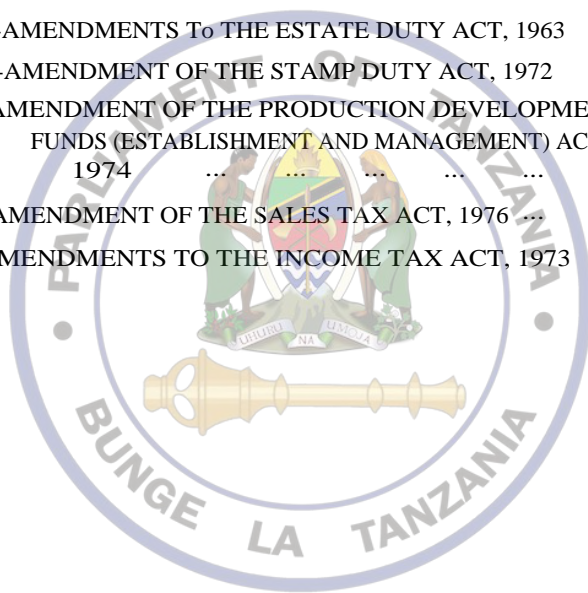
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THE FINANCE ACT, 1977

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THE UNITED REPUBLIC OF TANZANIA



No. 9 OF 1977

I ASSENT

Julius K. Nyerere
President

27 JULAI, 1977

An Act to impose and alter certain taxes and duties, to amend certain written laws relating to taxes and duties and to make provisions connected with those matters

[16th June, 1977]

ENACTED by the Parliament of the United Republic of Tanzania.

1. This Act may be cited as the Finance Act, 1977.

Short title

PART I

AMENDMENTS TO THE CUSTOMS TARIFF ACT, 1976

2-(1) This Part shall be read as one with the Customs Tariff Act, 1976 and shall be deemed to have come into operation on 16th June, 1977.

Construction and commencement Acts 1976 No. 12

(2) The passage "(same)" appearing in amendments made by this Part to the First Schedule to the Customs Tariff Act, 1976 means that, except as specifically amended by this Part, the tariff heading or import duty or, as the case may be, the suspended duty (according to the column in which the tariff number in relation to which the 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, 1976 is amended-

Amendments to the first Schedule

(a) in chapters 5, 6, 9, 17, 22, 24, 41, 42, 43, 48, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 70, 71, 73, 87 and 91 by substituting, except 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: —

Tariff No.	Tariff Heading	Import Duty
05.04	(same)	
	A. (same)	20%
	B. (same)	(same)
05.06	(same)	20%
05.07	(same)	20%
05.08	(same)	20%
05.09	(same)	20%
05.10	(same)	20%
05.11	(same)	20%
05.12	(same)	20%
05.14	(same)	
	A. (same)	(same)
	B. (same)	20%
05.15	(same)	
	A. (same)	(same)
	B. (same)	20%
	C. (same)	(same)
06.01	(same)	20%
06.02	(same)	20%
09.01	(same)	
	A. (same)	20%
	B. (same)	(same)
09.02	(same)	20%
17.01	Beet sugar and cane sugar in solid form	(same)
17.02	Other sugars; sugar syrups; artificial honey (whether or not mixed with natural honey), caramel:	
	A. Dextrose monohydrate	20%
	B. Glucose including textrose	20%
	C. Other	50%
22.08	(same)	
	A. (same)	(same)
	B. (same)	Per proof litre Shs. 60/-
22.09	(same)	
	A. (same)	Per proof litre Shs. 60/-
	B. (same)	Per proof litre Shs. 60/-
24.02	(same)	
	A. (same)	Per kg. Shs. 200/-
	B. (same)	Per kg. Shs. 180/-
	C. (same)	Per kg. Shs. 30/-
	D. (same)	Per kg. Shs. 180/-
	E. (same)	(same)
41.01	(same)	20%
42.06	(same)	
	A. (same)	20%
	B. (same)	(same)

Tariff No.	Tariff Heading	Import Duty
43.01	(same)	20%
43.03/04 A	(same)	20%
	B. (same)	(same)
48.01	(same)	
	A. (same)	
	(1) (same)	(same)
	(2) (same)	(same)
	(3) Extensible sackcraft	*20%
	(4) Other	*20%
	B. (same)	(same)
	C. (same)	
	(1) (same)	(same)
	(2) (same)	(same)
48.16	(same)	
	A. Multi-ply paper bags:	
	(1) Manufactured from extensible sackcraft ...	*20%
	(2) Other	40%
	B. (same)	40%
50.09/10	(same)	60%
51.01/03	(same)	
	A. (same)	(same)
	B. Of a kind used for the manufacture of twine for fishnets ...	10%
	C. Other	30%
51.04	(same)	
	A. (same)	(same)
	(i) (same)	Shs. 3/- or 60%
	(ii) (same)	Per Sq. metre Shs. 5/- or 60%
	B. (same)	Per sq. metre Shs. 5/- or 60%
	C. (same)	60%
52.02	(same)	60%
53.11/13	(same)	60%
54.05	(same)	
	A. (same)	(same)
	B. (same)	60%
55.07/09	(same)	
	A. (same)	
	(i) (same)	(same)
	(ii) (same)	Per sq. metre Shs. 3/- or 60%
	B. (same)	(same)
	C. (same)	45%
	D. (same)	Per sq. metre Shs. 5/- or 60%
	E. (same)	Per sq. metre Shs. 5/- or 60%
56.07	(same)	
	A. (same)	Per sq. metre Shs. 3/- or 60%
	B. (same)	Per sq. metre Shs. 5/- or 60%
	C. (same)	Per sq. metre Shs. 5/- or 60%

Tariff No.	Tariff Heading	import Duty
57.09/12	(same)	(same)
A. (same)	...	60%
B. (same)	...	60%
58.04	(same)	Per sq. metre Shs. 4/- or 60%
58.08	(same)	Per sq. metre Shs. 3/- or 60%
58.09/10	(same)	Per sq. metre Shs. 3/- or 60%
59.11	(same)	20 %
A. (same)	...	60%
B. (same)	...	60%
59.13	(same)	60%
60.01	(same)	Per kg. Shs. 40/- or 55%
60.03	(same)	Per pair Shs. 2/- or 70%
60.04	(same)	Each Shs. 4/- or 70 %
60.05	(same)	Each Shs. 7/50 or 70 %
A. (same)	...	65%
B. (same)	...	(same)
(1) (same)	...	(same)
(2) (same)	...	(same)
60.06	(same)	(same)
A. (same)	...	(same)
B. (same)	...	(same)
(1) (same)	...	(same)
(2) (same)	...	(same)
C. Other	...	70%
61.01	(same)	(same)
A. (same)	...	Each Shs. 7/50 or 70 %
B. (same)	...	Each Shs. 7/50 or 70%
61.02	(same)	Each Shs. 4/- or 70%
61.03	(same)	Each Shs. 4/- or 70%
61,04	(Sante)	(same)
A. (same)	...	Each Shs. 4/- or 70 %
B, (same)	...	70%
61,05	(same)	70%
61,06	(same)	70%
61,07	(same)	70%
61,08	(same)	70%
61,09	(same)	70%
61,10	(same)	70%
62.61	(same)	65%

Tariff No.	Tariff Heading	Import Duty
62.02	(same)	
	A. (same)	
	(1) (same)	Per sq. metro Shs. 3/- or 65%.
	(2) (same)	Per sq. metro Shs. 4/- or 65%
	(3) (same)	Per sq. metre Shs. 4/- or 65%
	(4) (same)	(same)
	(5) (same)	(same)
	B. (same)	20%
	C. (same)	Each Shs. 40/- or 65%
	D. (same)	65%
62.05	(same)	
	A. (same)	(same)
	B. (same)	65%
	C. (same)	(same)
63.01	(same)	The specific rate applicable to the goods when new or 100%
70.03	(same)	
	A. (same)	20%
	B. (same)	(same)
70.20	(same)	
	A. (same)	(same)
	B. (same)	20%
70.21	(same)	
	A. (same)	20%
	B. (same)	(same)
	C. (same)	(same)
71.05	(same)	20%
71.06	(same)	20%
71.07	(same)	20%
71.08	(same)	20%
71.09	(same)	20%
71.10	(same)	20%
73.34	Pins (excluding hatpins and other ornamental pins and drawing pins), hair pins, curling grips and the like, of iron or, steel	(same)

Tariff No.	Tariff Heading	Import Duty
87.02	(same)	
	A. (same)	
	(1) (same)	(same)
	(2) (same)	(same)
	(3) (same)	(same)
	(4) (same)	(same)
	(5) (same)	(same)
	(6) (same)	(same)
	(7) (same)	(same)
	B. (same)	(same)
	C. (same)	(same)
	D. Load carrying vehicles of a carrying capacity of not less than 3 tonnes, buses and coaches with seating capacity for not less than 14 passengers, four-wheel drive vehicles not specifically designed to carry passengers, and chassis thereof, whether assembled or not	(same)
91.05	(same)	
	A. Vibracorders, other Machinery time recorders, industrial time control clocks and other work control clocks	20%
	B. Other time recording apparatus	40%
	(b) in Chapter 59, in the Chapter Notes, by deleting item (iv) of subparagraph (a) of paragraph 5 and substituting for it the following new item: -	
	"(iv) Woven textile fabrics, whether or not felted, whether or not impregnated or coated, of a kind commonly used in paper-making or other machinery, tubular or endless with single or multiple warp and/or weft, or flat woven with multiple warp and/or weft."	
Amendment of the Third Schedule	4. The Third Schedule to the Customs Tariff Act, 1976 is amended in Part B by deleting paragraph (1) of item 2 and substituting for it the following new paragraph: -	
	"Boxes, tins, bottles, jars and similar packaging units in which any goods not liable to an ad valorem duty are packed and imported, being ordinary packaging units for the goods contained therein, containers and prislets."	

PART II

AMENDMENTS TO THE TOBACCO (IMPOSITION OF TAX) ACT, 1970

- Construction Acts, 1970 No. 22
5. This Part shall be read as one with the Tobacco (Imposition of Tax) Act, 1970.
- Section 2 of Acts, 1970 No. 22 amended
6. Section 2 of the Tobacco (Imposition of Tax) Act, 1970 is amended by deleting the definition of "Board" and substituting for it the following new definition: -
- Acts, 1972 No. 7
- "Authority" means the Tobacco Authority of Tanzania established by section 3 of the Tobacco Industry Act, 1972;"

7. The Tobacco (Imposition of Tax) Act, 1970 is amended generally by deleting the word "Board" wherever it occurs and substituting for it in each case the word "Authority"

General amendment of Acts, 1970 No. 22

8. The Tobacco (Imposition of Tax) Act, 1970 is amended by adding immediately below section 6 the following new section: -

Section 6A added to Acts, 1970 No. 22

"Recovery of summary proceeding

6A,(1), Where any tobacco tax or penalty payable under this Act is due from the Authority and the Authority has failed to pay the amount of that tax or penalty, the Principal Secretary to the Treasury may file in a court of a resident magistrate having jurisdiction over the area in which the Authority carries on business a certificate stating the full name and address of the Authority and the amount of the tax or penalty due from the Authority, and upon the certificate being read in the court, the certificate shall be deemed to be a decree passed by that court against the Authority for the payment by the Authority to the Government of the amount stated in the certificate together with interest on that amount at the rate of twenty *per centum per annum* from the date on which the certificate is filed until the date of payment, and the decree may be executed in the same manner as a decree passed by a court of a resident magistrate in a civil suit.

(2) The provisions of subsection (1) shall apply notwithstanding that the amount involved exceeds the pecuniary jurisdiction of a court of a resident magistrate.

(3) Every certificate filed in a court of a resident magistrate pursuant to the provisions of subsection (1) shall be conclusive evidence of the truth of the statements contained in that certificate.

(4) The method for the recovery of tax or penalty prescribed by the provisions of subsection, (1) shall be without prejudice to any other method for recovery of that tax or penalty."

PART III

AMENDMENT OF THE EXCISE TARIFF ORDINANCE

9. This Part shall be read as one with the Excise Tariff Ordinance.

Construction Cap. 332

10. The Excise Tariff Ordinance is amended in section 2 (1) by deleting the definition of "Minister" and substituting for it the following new definition: -

Section 2 of Cap. 332 amended

" "Minister" means the Minister for the time being responsible for matters relating to finance;"

PART IV

AMENDMENTS TO THE BUSINESS LICENSING, 1972

Construction Acts, 1972 No. 25 **11.** This Part shall be read as one with the Business Licensing Act, 1972.

Section 11 of Acts 1972 No. 25 amended **12.** Section 11 of the Business Licensing Act, 1972 is amended by adding immediately below subsection, (2) the following new subsection:-

"(3) Every application for a business licence shall be accompanied by documentary evidence or a written explanation satisfactory to the licensing authority regarding the payment, or, as the case may be, exemption from payment, by the applicant of income tax or such other tax as the Minister may, by notice in the *Gazette*, specify for the purposes of this section."

Section 12 of Acts 1972 No. 25 amended **13.** Section 12 of the Business Licensing Act, 1972 is amended in subsection (1) by deleting the full-stop at the end of paragraph (d), substituting for it a semi-colon, and adding immediately below paragraph (d) the following new paragraph: -

-(e) to any person applying for a business licence unless the licensing authority is satisfied that person has complied with the requirement prescribed by subsection (3) of section 11."

PART V

AMENDMENT TO THE ESTATE DUTY ACT, 1963

Construction Cap. 527 **14.** This Part shall be read as one with the Estate Duty Act, 1963.

Section 18 of Cap. 527 amended **15.** Section 18 of the Estate Duty Act, 1963 is amended in subsection (1) by

(a) deleting the word "and" at the end of the proviso to paragraph (a); and

(b) deleting the full-stop at the end of paragraph (b), substituting for it a semi-section, and adding immediately below paragraph (b) the following new paragraph: -

"(d) the amount of tax unpaid and which is due and payable out of his estate under any written law for the time being in force.-.

Section 44A added to Cap. 527 **16.** The Estate Duty Act, 1963 is amended by adding immediately below section 44 the following new section: -

"Power for Minister to remit interest 44A. The Minister may, by order published in the *Gazette*, remit wholly or in part any interest on estate duty payable under this Act where in his opinion it is in the public interest so to do."

PART VI

AMENDMENT OF THE STAMP DUTY ACT, 1972

17. This Part shall be read as one with the Stamp Duty Act, 1972.

Construction
Acts, 1972
No. 20

A Section 41 of the Stamp Duty Act, 1972 is amended by adding immediately below subsection (1) the following new subsections:-

Section 41 of
Acts, 1972
No. 20
amended

(1A.) Where the receipt required to be given under subsection (1) is for an amount of one thousand shillings or more and is in respect of goods sold by a manufacturer or a trader in the ordinary course of business or is in respect of services of any kind rendered by any person, then, notwithstanding any custom in any trade or anything to the contrary contained in this Act or in any other written law or in any agreement between the parties to the sale or, as the case may be, the contract for services, the person issuing the receipt shall enter in the receipt and in its duplicate copy the following particulars:-

- (a) the date on which the payment is made;
- (b) the full name and address of the seller of the goods or the person who rendered the services, as the case may be;
- (c) a full description of the goods sold or the services rendered and a statement of the quantity and value of the goods or, in the case of services, the amount charged in respect of the services rendered;
- (d), the full name and address of the buyer of the goods or the person to whom the services were rendered, as the case may be;
- (e) such other particulars as may be prescribed by regulations made under this Act for the purposes of this section.

(1B.) Every person who issues a receipt under subsection (1A) shall retain in his records the duplicate copy of every receipt issued by him and shall preserve that copy for a period of two years or such longer period as may be prescribed by regulations made under this Act."

PART VII

AMENDMENT OF THE PRODUCTION DEVELOPMENT FUNDS (ESTABLISHMENT AND AMENDMENT ACT, 1974

19. This Part shall be read as one with the Production Development Funds (Establishment and Management) Act, 1974.

Construction
Acts, 1974
No. 21

20. The Production Development Funds (Establishment and Management) Act, 1974 is amended by adding immediately below section 6 the following new section:-

Section 66A
added to
Acts, 1974
No. 21

"Power of Minister to reallocate moneys in funds

6A. (1) Where the Minister is satisfied that at the close of any financial year there are in any fund moneys which are not immediately required for the purposes of the fund (which moneys shall in this section be referred to as a "surplus" he may, if in his opinion financial exigencies or the public interest so require, and notwithstanding any provision to the contrary contained in this Act or in any other written law, authorize the application of the whole or any part of the surplus for or towards defraying the development expenditure of any Ministry or Department of the Government in any financial year.

(2) Every authorization for the application of any surplus made under this section shall be sufficient authority, without further appropriation, to issue from the fund the sum required for the purpose specified by the Minister.

(3) Where the Minister authorizes the application of any surplus under this section, he shall cause to be laid before the National Assembly a statement concerning the authorization."

PART VIII

AMENDMENT OF THE SALES TAX ACT, 1976

construction and commencement Acts, 1976 No. 13

21. This Part shall be read as one with the Sales Tax Act 1976 and shall be deemed to have come into operation on 16th June 1977.

Amendments to the First Schedule

22.-(1) The First Schedule to the Sales Tax Act, 1976 is varied to the extent that in respect of any articles imported described in the column headed "Tariff Heading" in the Table set out below this section opposite the tariff numbers in the column headed "Tariff No." in that Table there shall be substituted for the rates of tax specified in relation to those articles in the column headed "Sales Tax Rate" in the First Schedule the rates respectively specified in relation to those articles in the column headed "Sales Tax Rate" in the Table.

(2) The Table set out below this section shall, subject to the variation of the First Schedule effected by this section, be read as one with the First Schedule to the Sales Tax Act, 1976.

TABLE

(The Sales Tax Act, 1976: Rates of sales tax applicable in relation to imported scheduled articles. This Table shall be read as one with the First Schedule to the Sales Tax Act, 1976).

<i>Tariff No.</i>	<i>Tariff Heading</i>	<i>Sales Tax Rate</i>
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:	

<i>Tariff No.</i>	<i>Tariff Heading</i>	<i>Sales Tax Rate</i>
	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
	B. Spirits (other than those of heading No. 22.08), for example, brandy, vodka, whisky, rum, gin, geneva, and concentrates of such spirits	40%
	C. Liqueurs and other spirituous beverages and "concentrated extracts"	40%
22.10	Vinegar and substitutes for vinegar	15%
50.01/03	Silk-worm cocoons, raw silk (not thrown) and silk waste (including cocoons unsuitable for reeling, silk noils and pulled or garnetted rags)	70 %
50.04/08	Silk yarn and yarn spun from noil silk or from other waste silk; silk-worm gut; imitation catgut or silk	70%
50.09/10	Woven fabrics of silk or of noil silk or other waste silk	72.5%
51.01/03	Yarn of man-made fibres (continuous), monofil, strip (artificial straw and the like) and imitation catgut, of man-made fibre materials:	
	A. Rayon... ..	40%
	B. Other Fibres	70%
51.04	Woven fabrics of man-made fibres (continuous) including woven fabrics of monofil or strip of heading No. 51.01/03:	
	A. Rayon	45%
	B. Other Fibres	72.5%
52.01	Metalised yarn, being textile yarn spun with metal or covered with metal by any process	40%
52.02	Woven fabrics of metal thread or of metalised yarn, of a kind used in articles of apparel, as furnishing fabrics or the like	45%
53.01/05	Sheep's or lambs' wool and other animal hair, whether or not carded or combed, and waste of such wool or of animal hair, whether or not pulled or garnetted (including pulled or garnetted rags)	Free
53.06/10	Yarn of sheep's or lambs' wool, of horsehair or of other animal hair	70%
53.11/13	Woven fabrics of sheep's or lambs' wool, of horsehair or of other animal hair	72.5%
54.01/02	Flax and ramie raw or processed but not spun; flax tow, ramie noils and waste of flax or of ramie (including pulled or garnetted rags)	Free
54.03/04	Flax or ramie yarn	70%
54.05	Woven fabrics of flax or of ramie	72.5%
55.01/02	Cotton, not carded or combed; Cotton linters	Free

Tariff No.	Tariff Heading	Sales Tax Rate
55.03/04	Cotton waste (including pulled or garnetted rags), not carded or combed; cotton carded combed ...	Free
55.05106	Cotton yarn	40%
55.07/09	Woven fabrics of cotton:	
	A. Grey and unbleached	27-5%
	B. Gauze for the manufacture of bandages ...	40 %
	C. Printed khanga	42.5%
	D. Other	45%
56.01/04	man-made fibres (discontinuous) and waste (including yarn waste and pulled or garnetted rags), of man-made fibres (Continuous or discontinuous), whether or not carded or combed or otherwise prepared for spinning; continuous filament tow:	
	A. Cellulose Acetate cigarette filter tow ...	Free
	B. Other	Free
56.05/06	Yarn of made-made fibres (discontinuous or waste):	
	A. Rayon	40%
	B. other Fibres	70%
56.07	Woven fabrics of man-made fibres (discontinuous or waste):	
	A. Rayon	45%
	B. other Fibres	72-5%
57.01/04	True hemp (<i>Cannabis sativa</i>), Manila hemp (<i>abaca</i>) (<i>Musa textiles</i>), jute and other vegetable textile fibres raw or processed but not spun; tow and waste of such fibres (including pulled or garnetted rags or ropes):	
	A. Jute fibres	Free
	B. other	Free
57.05/08	Yarn of hemp, of jute or of other vegetable textile fibres; paper yarn	40%
57.09/12	Woven fabrics of hemp, of jute or of other vegetable textile fibres; woven fabrics of paper yarn:	
	A. Hessian and sacking (not including matting) Free	
	B. other	27..5%
58.01	Carpets, carpeting and rugs, knotted (made up or not) -	
	A. of sisal coir, coconut fibre, cotton or rayon	40 %
	B. Of other fibres	70%
58.02	other carpets, carpeting, rugs, mats and matting, and "Kelem", "Schumacks" and "Karamanie" rugs and the like (made up or not)	
	A. of sisal, coir, coconut fibre, cotton or rayon	40%
	B. of other fibres	70%
58.03	Tapestries, hand-made, of the type Gobelins Flanders, Aubusson, Beauvais and the like, and needle-worked tapestries (for example, petit point and cross stich) made in panels and the like by hand	70%

Tariff No.	Tariff Heading	Sales Tax Rate
58.04	Woven pile fabrics and chenile fabrics (other than terry towelling or similar terry fabrics of cotton falling within heading 55 07/09 and fabrics failing within heading No. 58.6):	
	A. Cotton.-	45%
	B. Rayon	45%
	C. Other fibres	72-5%
58.05	Narrow woven fabrics, and narrow fabrics (bolduc) consisting of warp without weft assembled by means of an adhesive other than goods falling within heading No. 58.06	40%
58.06	Woven labels, badges and the like, not embroidered, in the piece, in strips or cut to shape or size	40%
58.07	Chenille yarn (including flock chenille yarn), gimped yarn (other than metallised yarn of heading No. 52.01 and gimped horsehair yarn); braids and ornamental trimmings in the piece; tassels, pompons and the like	40%
58.08	Tulle and other net fabrics (but not including woven, knitted or crocheted fabrics), plain:	
	A. White, of a kind suitable for use as mosquito and sandfly netting	20%
	B. Other	45%
58.09/10	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:	
	A. Of cotton or rayon	45%
	B. Of other fibres	72-5%
59.01	Wadding and articles of wadding; textile flock and dust and mill neps	Free
59.02	Felt and articles of felt, whether or not impregnated or coated:	
	A. Felt	40%
	B. Articles:	
	(1) If sales tax has been paid on materials	Free
	(2) Other	35%
59.03	Bonded fibre fabrics, similar bonded yarn fabrics, and articles of such fabrics, whether or not impregnated or coated:	
	A. Fabrics	40%
	B. Articles:	
	(1) If sales tax has been paid on materials	Free
	(2) Other	35%
59.04	Twine, cordage, ropes and cables, plaited or not	Free
59.05	Nets and netting made of twine, cordage or rope, and made up fishing-nets of yam, twine, cordage or rope:	
	A. Fishing-nets and netting:	
	(1) Knotted gill fishing-nets of twoply to fifteen ply, of stretched meshes 1.27 to 12.7 cm, manufactured from man-made multifilament fibres	Free

Tariff No.	Tariff Heading	Sales Tax Rate
	(2) Other	Free
	B Fruit tree and seed-bed netting	Free
	C. Other	32%
59.06	other articles made from yarn, twine, cordage, rope or cable, other than textile fabrics and articles made from such fabric:	
	A. Loading slings	Free
	B. Other	26%
59.07	Textile fabrics coated with gum or amylaceous substances, of a kind used for the other covers of books and the like; tracing cloth; prepared painting canvas; buckram and similar fabrics for hat foundations and similar uses:	
	A. Bookbinding fabric	32%
	B. Other	32%
59.08	Textile fabrics impregnated, coated, covered or laminated with preparations of cellulose derivatives, or of other artificial plastic materials ...	32%
59.09	Textile fabrics coated or impregnated with oil or preparations with a basis of drying oil	32%
59.10	Linoleum and materials prepared on a textile base in a similar manner to linoleum, whether or not cut to shape or of a kind used as floor coverings; floor coverings consisting of a coating applied on a textile base, cut to shape or not	32%
59.11	Rubberised textile fabrics, other than rubberised knitted or crocheted goods:	
	A. Electrical insulating tape	17.5%
	B. Other	45%
59.12	Textile fabrics otherwise impregnated, coated, covered or laminated; painted canvas being theatrical scenery, studio backcloths or the like ...	20%
59.13	Elastic fabrics and trimmings (other than knitted or crocheted goods) consisting of textile materials combined with rubber threads	45%
59.14	Wicks, of woven, plaited or knitted textile materials, for lamps, stoves, lighters, candles fabric and incandescent gas mantles:	
	A. Wicks for lighters	26%
	B. Other	26%
59.15	Textile hosepiping and similar tubing, with or without lining, Armour or accessories of other materials	Free
59.16	Transmission, conveyor or elevator belts or belting, of textile materials, whether or not strengthened with metal or other materials	Free

Tariff No.	Tariff Heading	Sales Tax Rate
59.17	Textile fabrics and textile articles, of a kind commonly used in machinery or plant:	
	A. Fabrics	40%
	13. Articles:	
	(1) If sales tax has been paid on materials	Free
	(2) Other	35%
60.01	Knitted or crocheted fabrics, not elastic or rubberised:	
	A. Of cotton or rayon	50%
	B. Of other fibres	80%
60.02	Gloves, mittens and mitts, knitted or crocheted, not elastic nor rubberised:	
	A. If sales tax has been paid on materials ...	Free
	B. Other:	
	(1) Of cotton or rayon	35%
	(2) Of other fibres	57%
60.03	Stockings, understockings, socks, ankle socks, sockets and the like, knitted or crocheted, not elastic nor rubberised:	
	A. If sales tax has been paid on materials ...	Free
	B. Other:	
	(1) Of cotton or rayon	20%
	(2) Of other fibres	40%
60.04	Under garments, knitted or crocheted, not elastic or rubberised:	
	A. If sales tax has been paid on materials ...	Free
	B. Other:	
	(1) Of cotton or rayon	20%
	(2) Of other fibres	40%
60.05	Outer garments, and other articles, knitted or crocheted, not elastic or rubberised:	
	A. Articles of apparel:	
	(1) If sales tax has been paid on materials	Free
	(2) Other:	
	(a) Of cotton or rayon	20%
	(b) Of other fibres	40%
	B. Other:	
	(1) Blankets:	
	(a) of cotton or rayon	20%
	(b) Of other fibres	40%
	(2) Other:	
	(a) If sales tax has been paid on materials	Free
	(b) Other:	
	(i) Of cotton or rayon	35%
	(ii) Of other fibres	57%
60.06	Knitted or crocheted fabric and articles thereof elastic or rubberised (including elastic knee-caps and elastic stockings):	
	A. Fabric:	
	(1) Of cotton or rayon	50%
	(2) Of other fibres	80%

Tariff No.	Tariff Heading	Sales Tax Rate
	B. Articles of apparel:	
	(1) Stocking and hose:	
	(a) If sales tax has been paid on materials	Free
	(b) Other:	
	(i) Of cotton or rayon	20%
	(ii) Of other fibres	40%
	(2) Other:	
	(a) Of cotton or rayon	20%
	(b) Of other fibres	40%
	C. Other:	
	(1) If sales tax has been paid on materials	Free
	(2) Other:	
	(a) of cotton or rayon	17-5%
	(b) Of other fibres	35%
61.01	Men's and boy's outer garments:	
	A. Diving suits other than sports clothing:	
	(1) If sales tax has been paid on materials	Free
	(2) Other:	
	(a) Of cotton or rayon	35%
	(b) of other fibres	57%
	B. Other:	
	(1) if sales tax has been paid on materials	Free
	(2) Other:	
	(a) of cotton or rayon	20%
	(b) of other fibres	40%
61.02	Women's, girls' and infant's outer garments:	
	A. Saris, khaga and the like:	
	(1) of cotton:	
	(a) If sales tax has been paid on materials	Free
	(b) Other	20%
	(2) of rayon:	
	(a) if sales tax has been paid on materials	Free
	(b) Other	20%
	(3) of other fibres:	
	(a) if sales tax has been paid on materials	Free
	(b) Other	40%
	B. Other:	
	(1) if sales tax hits been paid on materials	Free
	(2) Other:	
	(a) of cotton or rayon	20%
	(b) of other fibres	40%
61.03	Men's and boy's undergarments, including collars, shirt fronts and cuffs:	
	A. if sales tax has been paid on materials	Free
	B. Other:	
	(1) Of cotton or rayon	20%
	(2) Of other fibres	44%

Tariff No.	Tariff Heading	Sales Tax Rate
61.04	Women's, girls and infant's undergarments:	
	A. Baby napkins	Free
	B. Other:	
	(1) If sales tax has been paid on materials	Free
	(2) Other:	
	(1) Of cotton or rayon	20%
	(2) Of other fibres	40%
61.05	Handkerchiefs:	
	A. If sales tax has been paid on materials ...	Free
	B. Other:	
	(1) Of cotton or rayon	7.5%
	(2) Of other fibres	25%
61.06	Shawls, scarves, muffles, mantillas, veils and the like:	
	A. Of cotton:	
	(1) If sales tax has been paid on materials	Free
	(2) Other	20%
	B. Of rayon:	
	(1) If sales tax has been paid on materials	Free
	(2) Other	20%
	C. Of other fibres:	
	(1) If sales tax has been paid on materials	Free
	(2) Other	40%
61.07	Ties, bow ties and cravats:	
	A. If sales tax has been paid on materials ...	Free
	B. Other	40%
61.08	Collars, tuckers, fallals, bodice-fronts, jabots, cuffs, flounces, yokes and similar accessories and trimmings for women's and girls' garments:	
	A. If sales tax has been paid on materials ...	Free
	B. Other:	
	(1) Of cotton or rayon	20%
	(2) Of other fibres	40%
61.09	Corsets, corset belts, suspender-belts, brassieres, braces, suspenders, garters and the like (including such articles of knitted or crocheted fabrics whether or not elastic):	
	A. If sales tax has been paid on materials ...	Free
	B. Other:	
	(a) Of cotton or rayon	20%
	(b) Of other fibres	40%
61.10	Gloves, mittens mitts, stockings, socks and sockettes not being knitted or crocheted goods	
	A. Stokings, socks and sockettes	
	(1) If sales tax has been paid on materials	Free
	(2) Other	
	(a) Of cotton or rayon	20%
	(b) Of other fibres	40%
	B Other:	
	(1) If Sales tax has been paid on materials	Free
	(2) Other:	
	(a) Of cotton or rayon	20%
	(b) Of other. fibres	40%

Tariff No.	Tariff Heading	Sales Tax Rate
61.11	Made-up accessories for articles of apparel (for example, dress shields, shoulder and other pads, belts, muffs and sleeve protectors, pockets): A. If sales tax has been paid on materials ... Free B. Other: (a) Of cotton or rayon ... 35% (b) Of other fibres ... 57%	
62.01	Travelling rugs and blankets: A. Of cotton or rayon ... 12.5% B. Other fibres: (1) Where the c.i.f. or ex-factory price exclusive of the sales tax does not exceed Shs. 151- per blanket or rug 12.5% (2) Other ... 25%	
62.02	Bed-linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles: A. Bedsheets, bedspreads, curtains, tablecloths, glass cloths and towels: (1) Of cotton, gray and unbleached: (a) If sales tax has been paid on materials ... Free (b) Other ... 25% (2) Cotton other: (a) if sales tax has been paid on materials ... Free (b) Other ... 42-5% (3) Of rayon: (a) If sales tax has been paid on materials ... Free (b) Other ... 42-5% (4) of other fibres: (a) If sales tax has been paid on materials ... Free (b) Other ... 67-5% B. Mosquito and sandfly nets: (1) If sales tax has been paid on materials Free (2) Other ... 20% C. Other: (1) If sales tax has been paid on materials Free (2) Other: (a) of cotton or rayon ... 42.5% (b) Of other fibres ... 67..5%	
62.03	Sacks and bags, of a kind used for the packing of goods ... Free	
62.04	Tarpaulins, sails, wanings, sunblinds, tents and camping goods: A. If sales tax has been paid on materials ... Free B. Other ... 35%	
62.05	other made-up textile articles (including dress patterns): A. Surgeons face masks ... Free B. Other: (1) If sales tax has been paid on materials Free (2) Other ... 20%	

<i>Tariff No.</i>	<i>Tariff Heading</i>	<i>Sales Tax Rate</i>
63.01	Clothing, clothing accessories, traveling rugs and blankets, household linen and furnishing articles (other than articles falling within heading Nos. 58.01, 58.02 or 58.03), of textile materials, footwear and head gear of any materials, showing signs of appreciable wear and imported in bulk or in bales, sacks or similar bulk packings: A. If sales tax has been paid on the materials or article when new B. Other	Free The rate applicable to the goods when new
63.02	Used or new rugs, scrap twine, cordage, rope and cable and worn-out articles of twine, cordage, rope or cables: A. New rags B. Other	40% Free

PART IX

AMENDMENTS TO THE INCOME TAX ACT, 1973

23.-(1) This Part shall be read as one with the Income Tax Act, 1973 and shall, subject to the provisions of subsection (2) be deemed to have come into operation on 1st July, 1977.

(2) The provisions of section 25 shall come into, operation on 1st January, 1978.

24. Subsection (3) of section 19 is repealed and replaced by the following subsection:-

"(3) For the purpose of ascertaining the gains or profits of any business carried on in the United Republic no deduction shall be allowed in respect of any expenditure incurred outside the Partner States by a non-resident person other than expenditure which the Commissioner determines that adequate consideration has been given; and, in particular, no deduction shall be allowed in respect of expenditure-

- (a) on remuneration for services rendered by the non-resident directors (other than whole-time service directors) of a non-resident company the directors of which company have a controlling interest in the company, in excess of five per cent of the total income of the company, calculated before the deduction of that expenditure, or of twenty-five thousand shillings in respect of all those directors taken together, whichever is the greater, so, however, that in no case shall a deduction be allowed in excess of one hundred and fifty thousand shillings;

Construction and commencement Acts, 1973 No. 33

Section 19 of Acts, 1973 No. 33 amended

- (b) on executive and general administrative expenses except to the extent that the Commissioner may determine the expenditure to be reasonable, having regard to all the circumstances."

Section 34 of
Acts, 1973
No. 33
amended

25. Section 34 of the Income Tax Act, 1973 is amended by adding immediately below subsection (2) the following new subsection:-

"(2A)-(a) Every person shall, upon payment of any amount to any person resident or having a permanent establishment in the United Republic in respect of any fee, charge or like consideration for the carriage of goods by road, which is chargeable to tax, deduct from that amount tax at the rate of two per cent of the gross amount payable:

Provided that this subsection shall not apply-

- (i) in any case where the amount is payable by an individual, unless the amount payable is in excess of twenty thousand shillings;
- (ii) in any case where the amount is payable to any person other than an individual, unless that person carries on business comprising solely the carriage of goods by road for hire or reward;
- (iii) in any case where the carriage of the goods concerned is done, by any person in the course of their exportation from the United Republic.

(b) No deduction shall be made under paragraph (a) of subsection from any payment which is income exempt from tax under this Act, or to which any order made under paragraph (c) of this subsection applies.

(c) The Minister may, by notice in the Gazette, exempt from the provisions of paragraph (a) of this subsection any payment or class of payments made by any Person or category of persons resident or having a permanent establishment in the United Republic "

Section 61 of
Acts 1973
No. 33
amended

26. Section 61 of the Income Tax Act, 1973 is amended by re-numbering subsection (1) as subsection (1c), and by inserting in that section immediately before subsection (1) as re-numbered the following new subsections: -

"(1) The Commissioner may, by notice in writing, require any person or category of persons that carries on business to keep proper accounts and other records in relation to his business, and may further require, that person or category of persons to prepare statements of accounts in such form and in such manner as the Commissioner may direct.

(IA.) Where any person receives any payment of an amount of one thousand shillings or more in respect of goods sold or services rendered by him in the ordinary course of his business, then, notwithstanding any custom in any trade or any

provision to the contrary in this Act or any other written law or any agreement between the parties to the sale or the contract of services, as the case may be, he shall issue a receipt to the person making the payment and the person issuing the receipt shall enter or cause to be entered in the receipt and its duplicate copy the following particulars:-

- (a) the date on which the payment is made;
- (b) the full name and address of the person who sold the goods or, as the case may be, rendered the services;
- (c) a full description of the goods sold or the services rendered and a statement of the quantity and value of the goods or, in the case of services, the amount charged in respect of the services rendered;
- (d) the full name and address of the person to whom the goods were sold or to whom the services were rendered, as the case may be;
- (e) such other particulars as the Commissioner may, by notice in writing, specify from time to time for the purposes of this section.

(113.) Every person who issues a receipt under subsection (1A) shall retain in his records the duplicate copy of every receipt issued by him and shall, unless the Commissioner directs otherwise, preserve that copy for a period of not less than seven years after the year of income to which the receipt relates."

27. Section 99 of the Income Tax Act, 1973 is amended by adding immediately below subsection (1) the following new subsection: -

"(1A) Where a return of income required to, be furnished , to the Commissioner under section 57 in respect of the income of a person is required to be prepared and certified in accordance with the provisions of section 60, the due date of payment of tax on that return shall be the date on which the return was due to be submitted to the Commissioner."

Section 99 of
Acts, 1973
No. 33
amended

28. Subsection (2) of section 102 of the Income Tax Act, 1973 is repealed and replaced by the following subsection:-

"(2) Interest under subsection (1) of this section shall be calculated-

- (a) in the case of a person other than an individual, from the due date specified subsection (3) of section 99;
- (b) in any other case, from the due date of payment of the second installment specified in subsection (4) of that section,
to the due date of payment."

Section 102
added to
Acts, 1973
No. 33
amended

29. The Income Tax Act, 1973 is amended by adding immediately below section 102 the following new section: -

Section 102A
added to
Acts, 1973
No. 33

"Penalty for failure to deduct or remit tax

102A. If any person fails to deduct or remit to the Commissioner the whole or any part of tax in accordance with section 34 or section 36, the Commissioner may, by order in writing, impose a penalty not exceeding five thousand shillings, and the provisions of this Act relating to the collection and recovery of tax shall apply to the collection and recovery of that penalty as if it were tax due by that Person. .

30. The Income Tax Act, 1973 is amended by adding immediately below section 112 the following new section:-

"Payment of interest where amount of tax refundable is determined by the Tribunal
112A. Where the amount of tax refundable under section 112 is determined by the Tribunal under section 93, the Commissioner shall pay interest on that amount at the rate of 4.5 per cent."

Section 116 of Acts, 1973 No. 33 amended

31. Section 116 of the Income Tax Act, 1973 is amended in sub-Section (1): -

- (a) by deleting in the second and third lines of paragraph (h) the passage "subsection (1) of";
- (b) by deleting the semi-colon at the end of paragraph (h), substituting for it a comma, and by deleting the word "or" at the end of that paragraph; and
- (c) by deleting paragraph (i).

Amendment of the Second schedule to Acts 1973 No. 33

32. The Second Schedule to the Income Tax Act, 1973 is amended in paragraph 24-

- (a) by deleting in the third and fourth lines of sub-paragraph (a) the passage "to be installed or used solely in such, building" and substituting for it the passage "which has been installed and is used solely in that building";
- (b) by deleting item (ii) of sub-paragraph (c) the passage "to be installed or used solely in the hotel" and substituting for it the passage "which has been installed and is used solely in the hotel"; and
- (c) by deleting in the third line of sub-paragraph (d) the passage "to be installed or used solely in such building" and substituting for it the passage "which has been installed and is used solely in that building."

Passed in the National Assembly on the fifteenth day of July, 1977.


 Clerk of the National Assembly