

THE UNITED REPUBLIC OF TANZANIA



No. 9 OF 1972

I ASSENT,

Julius K. Nyerere
President

11TH MAY, 1972

An Act to repeal and replace the Income Tax (Allowances and Rates) Act, 1971, incorporating all the amendments thereto and making provisions consequential upon the enactment of the East African Income Tax Management (Amendment) Act, 1971 of the Community

[18TH JUNE, 1971]

ENACTED by the Parliament of the United Republic of Tanzania.

1. This Act may be cited as the Income Tax (Allowances and Rates) Short title Act, 1972.

2. This Act shall be deemed to have come into operation on the eighteenth day of June, 1971 and shall have effect in relation to the year of income 1971 and each subsequent year:

Provided that the proviso to item 5 of the First Schedule shall be deemed not to have come into operation until the first day of January, 1972, and in relation to the year of income 1971 the said paragraph shall have effect as if the proviso thereto had not been enacted.

3. This Act shall be read and construed as one with the East African Income Tax (Management) Act, 1958 (hereinafter referred to as "the Management Act"), and expressions used in this Act shall, unless the context otherwise requires, have the meanings assigned to them in the Management Act.

4. Subject to the provisions of the Management Act—

- (a) the personal allowances to which an individual shall be entitled under the Management Act shall be the amounts set forth in the First Schedule to this Act;
- (b) the tax to be charged under the Management Act shall be charged at the rates set forth in the Second Schedule to this Act;

(c) the withholding tax to be deducted under the Management Act shall be charged at the rates set forth in the Third Schedule to this Act.

Repeal
Acts 1971
No. 8

5. The Income Tax (Allowances and Rates) Act, 1971, is hereby repealed:

Provided that, notwithstanding such repeal, the said Act shall remain in force in relation to the year of income 1970 and previous years of income.

Applica-
tion to
Zanzibar

6. This Act shall extend to Zanzibar as well as to Tanganyika.

FIRST SCHEDULE

PERSONAL ALLOWANCES

Item No.	Relevant section of the Management Act	Allowance
1	41	The amount of the married allowance shall be Shs. 9,600/-.
2	42	The amount of the single allowance shall be Shs. 4,320/-.
3	44	The amount of the child allowance shall be Shs. 2,400/- for each child subject to the maximum of Shs. 9,600/-.
4	45	The amount of the insurance allowance to which a resident individual shall be entitled shall be one-third of the amount of the premiums paid subject to a maximum of Shs. 3,600/-: Provided that no insurance allowance shall be granted— (i) in respect of any amount in excess of one-tenth of the total income of the individual for the year concerned; (ii) in respect of the amount of any premiums in excess of one-tenth of the total capital sum assured, but in calculating such capital sum no account shall be taken of any sum payable on the happening of any other contingency, or of the value of any premiums agreed to be returned, or of any benefit by way of bonus or otherwise which is to be or may be received either before or after death either by the individual paying the premium or any other person which is not the sum actually assured; (iii) in respect of any premiums for insurance other than an insurance for securing a capital sum on death whether or not in conjunction with any other benefit.
5	46	The non-resident personal allowance shall be the amount of pension income, if any, not exceeding in all Shs. 5,000/-: Provided that where an individual is resident in a country with which the Government of the United Republic has arrangements for the relief of double taxation under section 55 of the Management Act, and is taxable in that country in respect of his pension income, the allowance otherwise due shall be limited to such an amount as shall have the effect of reducing to nil the excess, if any, of the tax chargeable on the individual under the Management Act in respect of pension income over the amount of the relief due to him in his country of residence under such arrangements.

SECOND SCHEDULE

Item No.	Relevant section of the Management Act	Rate of Tax																								
1	47 (a)	The individual income tax rates shall be as follows:— <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Chargeable Income</th> <th style="text-align: left;">Rate in respect of each Shs. 20</th> </tr> <tr> <td></td> <td style="text-align: center;">Shs. Cts.</td> </tr> </thead> <tbody> <tr> <td>(i) On the first Shs. 20,000/-</td> <td style="text-align: center;">... 2 50</td> </tr> <tr> <td>(ii) On the next Shs. 20,000/-</td> <td style="text-align: center;">... 5 50</td> </tr> <tr> <td>(iii) On the next Shs. 20,000/-</td> <td style="text-align: center;">... 7 50</td> </tr> <tr> <td>(iv) On the next Shs. 20,000/-</td> <td style="text-align: center;">... 9 50</td> </tr> <tr> <td>(v) On the next Shs. 20,000/-</td> <td style="text-align: center;">... 10 50</td> </tr> <tr> <td>(vi) On the next Shs. 20,000/-</td> <td style="text-align: center;">... 11 50</td> </tr> <tr> <td>(vii) On the next Shs. 20,000/-</td> <td style="text-align: center;">... 12 50</td> </tr> <tr> <td>(viii) On the next Shs. 60,000/-</td> <td style="text-align: center;">... 13 50</td> </tr> <tr> <td>(ix) On the next Shs. 100,000/-</td> <td style="text-align: center;">... 14 50</td> </tr> <tr> <td>(x) On every Shs. 20/- after Shs. 300,000/-</td> <td style="text-align: center;">... 15 50</td> </tr> </tbody> </table>	Chargeable Income	Rate in respect of each Shs. 20		Shs. Cts.	(i) On the first Shs. 20,000/-	... 2 50	(ii) On the next Shs. 20,000/-	... 5 50	(iii) On the next Shs. 20,000/-	... 7 50	(iv) On the next Shs. 20,000/-	... 9 50	(v) On the next Shs. 20,000/-	... 10 50	(vi) On the next Shs. 20,000/-	... 11 50	(vii) On the next Shs. 20,000/-	... 12 50	(viii) On the next Shs. 60,000/-	... 13 50	(ix) On the next Shs. 100,000/-	... 14 50	(x) On every Shs. 20/- after Shs. 300,000/-	... 15 50
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2	47 (b) and (c)	The corporation rate shall be eight shillings in respect of each Shs. 20/- save in the case of:— <p>(a) that part of the chargeable income of an insurance company which relates to its life insurance business, when the rate shall be seven shillings and fifty cents in respect of each Shs. 20/- of such chargeable income; and</p> <p>(b) that part of the chargeable income of a company 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 Shs. 20/- of such part of the chargeable income:</p> <p style="margin-left: 40px;">Provided that the rate shall be eight shillings in respect of each Shs. 20/- of such part of the chargeable income from the fifth year and in each subsequent year after the first year in which the company becomes liable or, would, but for the provisions of section 14 (4) of the Management Act, become liable for tax;</p> <p>(c) Co-operative Societies, when the rate shall be five shillings in respect of each Shs. 20/- of the chargeable income.</p>																								

THIRD SCHEDULE

RATES OF WITHHOLDING TAX

Item No.	Relevant section of the Management Act	Rate of withholding Tax
1	49 (1)	The rates of non-resident withholding tax under section 49 (1) of the Management Act— <p>(a) on dividends, shall be 12½ per cent of the gross amount payable;</p> <p>(b) on royalties, shall be 20 per cent of the gross amount payable;</p> <p>(c) on any payment of management or professional fee, shall be 20 per cent of the gross amount payable;</p> <p>(d) on interest payable to a non-resident other than an individual, shall be 12½ per cent of the gross amount payable;</p>

SCHEDULE—*contd.*

<i>Item No.</i>	<i>Relevant section of the Management Act</i>	<i>Rate of withholding Tax</i>
2	49 (2)	<p>(e) on interest payable to a non-resident individual, shall be 12½ per cent of the gross amount payable.</p> <p>The rates of resident withholding tax under section 49 (2) of the Management Act—</p> <p>(a) on dividends payable to a resident individual, shall be 12½ per cent of the gross amount payable;</p> <p>(b) on royalties, shall be 20% of the gross amount payable;</p> <p>(c) on any payment of a management or professional fee, shall be 20% of the gross amount payable;</p> <p>(d) on interest payable to a resident person other than an individual shall be 12½ per cent of the gross amount payable;</p> <p>(e) on interest payable to resident individual, shall be 12½ per cent of the gross amount payable.</p>

Passed in the National Assembly on the twenty-fourth day of April, 1972.


Clerk of the National Assembly