



Tanzania Tax Update

November 2018

This Month:

- 1. Tax Amnesty (Reminder)**
- 2. Real Estate: Tax Considerations**
- 3. November 2018 submission deadlines**

1. Tax Amnesty (Reminder)

Recap: Eligible taxpayers can now apply for a 100% tax amnesty on interest and penalties in the six months starting from 1 July 2018 to 31 December 2018

Deadline: The last date to submit an application for Tax Amnesty is 30 November 2018
(3 weeks left!)

What you need to do: We recommend the following steps to take advantage of this amnesty:

1. Determine if you are an eligible tax payer and if you qualify to apply
2. Review your internal tax compliance to ascertain if there are any unfiled forms or unpaid taxes e.g
 - a. Unfiled Director Returns
 - b. Unfiled Bi-annual withholding or employment tax returns
 - c. Unfiled company income tax returns
 - d. Unpaid income tax returns
 - e. Dormant companies that require clean up
 - f. VAT returns not yet submitted
3. Calculate outstanding penalties or interests for any outstanding documents or taxes
4. Determine if you are able to pay the principal amount (if any) before 30 June 2019
5. Complete tax amnesty forms and checklists
6. Submit to TRA

How to Submit: There are two ways to submit your amnesty form:

- Submission through your local TRA office or Branch where your Tax Identification Number (TIN) is registered
- Online submission through TRA website. You must have an eFin number and password to utilise this method

How C&A can help

- Use above opportunity to clean up your tax affairs
- Perform a thorough tax health check to determine potential tax liabilities and related interest/penalties
- Assist with the tax amnesty application process

2. Real Estate Transactions: Tax Overview

What is covered: Taxation of real estate transactions involve taxes pertaining to:

- Land/Building sales and purchases
- Rental income or payments
- Development of land or buildings

In summary, the following items should be considered in respect of real estate transactions:

Corporate Tax:

- Capital Gains Tax applies on gains derived from the sale of interest in land. This is calculated at a rate of 10% for residents and 20% for non-residents.
- *Exemptions:*
 - Interest in land that has a market value of less than 10 million at the time it is sold and that has been used for at least two of the three years prior to sale is excluded from capital gains tax
 - Capital gains arising from the sale of a private residence are excluded where the residence has been owned and lived in continuously by the individual for three years or more, and the interest was realised for a gain of not more than Tshs 15 million.

Value Added Tax (VAT)

- The following transactions are exempt from VAT:
 - A sale of vacant land
 - lease, license, hire or other form of supply, to the extent that it is a supply of the right to occupy and reside in residential premises.
- VAT applies to rental income derived from the lease of a commercial property

Withholding Taxes

- Withholding taxes apply on rental income derived from the lease of land or buildings. This is calculated at a rate of 10% for both residents and non residents.

3. November 2018 compliance deadlines

The following returns are due for submission to TRA on or before 30 November 2018:

Value Added Tax Return

TANZANIA REVENUE AUTHORITY
VALUE ADDED TAX RETURN: HITIANI YA KODI YA ONGESHENGO LA THAMANI

Value Added Tax Return Form

TRA Form No. 102, 2018

TIN: []

VRN: []

Name of Taxpayer: _____

Business Name: _____

Postal Address: _____

For 12 months to 31/12/2018

Value (Including VAT) / Thamani (Jika kuna)	VAT Rate (%) / Kiasi (Kwa Kati)	VAT Amount / Kiasi (Kwa Kati)
1	15	2
2	15	3
3	15	4
4	15	5
5	15	6
6	15	7
7	15	8
8	15	9
9	15	10
10	15	11
11	15	12
12	15	13
13	15	14
14	15	15
15	15	16
16	15	17
17	15	18
18	15	19
19	15	20
20	15	21
21	15	22
22	15	23
23	15	24
24	15	25
25	15	26
26	15	27
27	15	28
28	15	29
29	15	30
30	15	31

TOTAL INPUT TAXES AND TAX: _____

TOTAL OUTPUT TAXES: _____

NET TAXABLE AMOUNT: _____

TOTAL TAX LIABILITY: _____

TOTAL TAX PAID: _____

TOTAL TAX DEDUCTIBLE: _____

TOTAL TAX DEDUCTIBLE (NET): _____

TOTAL TAX DEDUCTIBLE (NET): _____

Tax Amnesty Form

TANZANIA REVENUE AUTHORITY
(Made under paragraph 3 and 9(4) of The Tax Administration (Remission of Interest and Penalty) Order, 2018)

IT/2017/01E - Application For Remission of Interest and Penalties

TO: COMMISSIONER GENERAL
 PO BOX _____
DARES SALAAM

APPLICATION FOR REMISSION OF INTEREST/PENALTY

Full name of business: _____

TIN: []

VRN: []

I, _____ on behalf of _____ (the name of business/entity) am applying for interest/penalty remission of Tanzania shillings _____ relating to the following eligible tax and periods:

Tax Type	Period	Principal	Interest	Penalty	Total Liability	Debit Number
Total						

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Skills Development Levy: Monthly Return

TANZANIA REVENUE AUTHORITY
SKILLS AND DEVELOPMENT LEVY MONTHLY RETURN

YEAR: [] [] [] []

TO: _____

EMPLOYER'S INFORMATION

TIN: []

Name of employer: _____

Postal Address:
 P.O. Box: _____ Postal City: _____

Physical Address:
 Plot Number: _____ Block Number: _____

Street/Location: _____

I forward herewith SDL Return for the month of _____ 20_____

EMOLUMENTS	AMOUNT/TZS	EMOLUMENTS	AMOUNT/TZS
Basic pay		Gratuity	
Leave pay		Subsistence Allowance (*)	
Sick pay		Traveling Allowance (*)	
Payment in Lieu of leave		Entertainment Allowance (*)	
Fees		Any other Allowance (*)	
Commission		Housing Allowance	
Bonus		Subtotal B	
Subtotal A		Grand Total (A+B)	
		Whereof SDL at 4.65% amounts to	

Payment made at the Bank Branch: _____

Through Payment Slip/Deposit Slip _____ dated _____

Signature: _____ Date: _____

Rubber Stamp: _____

Penalties apply (Tshs 225,000 per month) for companies failing to submit above forms before deadline



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