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THE UNITED REPUBLIC OF TANZANIA

**ACT SUPPLEMENT**

**No. 8**

**19<sup>th</sup> October, 2012**

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THE FINANCE ACT, 2012

ARRANGEMENT OF PARTS

<i>Part</i>	<i>Title</i>
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PART III	AMENDMENT OF THE EAST AFRICAN DEVELOPMENT BANK ACT, (CAP. 231).
PART IV	AMENDMENT OF THE EXCISE (MANAGEMENT AND TARIFF) ACT, (CAP. 147).
PART V	AMENDMENT OF THE EXPORT TAX ACT, (CAP. 196).
PART VI	AMENDMENT OF THE GAMING ACT, (CAP. 41).
PART VII	AMENDMENT OF THE INCOME TAX ACT, (CAP. 332).
PART VIII	AMENDMENT OF THE LOCAL GOVERNMENT FINANCES ACT, (CAP. 290).
PART IX	AMENDMENT OF THE MOTOR VEHICLES (TAX ON REGISTRATION AND TRANSFER) ACT, (CAP. 124).
PART X	AMENDMENT OF THE TANZANIA INVESTMENT ACT, (CAP. 38).
PART XI	AMENDMENT OF THE VALUE ADDED TAX ACT, (CAP. 148).

## THE UNITED REPUBLIC OF TANZANIA



No. 8 OF 2012

I ASSENT,

JAKAYA MRISHO KIKWETE,  
*President*11<sup>th</sup> October, 2012

**An Act to impose and alter certain taxes, duties, levies, fees 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 Finance Act, 2012.
- Commencement              2.-(1) The provisions of various Parts of this Act shall be deemed to have come into operation on the 1<sup>st</sup> day of July, 2012.  
(2) Notwithstanding subsection (1), Hs Codes 8523.29.90 and 8423.40.90 appearing in the proposed amendment to the Fourth Schedule under Part IV of this Act shall come into operation on the 1<sup>st</sup> day of January, 2013.

PART II  
AMENDMENT OF THE AIRPORT SERVICE CHARGE ACT,  
(CAP. 365)

- Construction  
Cap. 365                      3. This Part shall be read as one with the Airport Service Charge Act, hereinafter referred to as "the principal Act".
- Amendment of  
section 3                      4. The principal Act is amended in section 3, by-
- (a) deleting the words "five thousand" appearing in subsection (2) and substituting for them the words "ten thousand"; and
  - (b) deleting the word "thirty" appearing in subsection (3) and substituting for it the word "forty".

“ SCHEDULE

(Made under section 3)

Item	Rate
Raw hides and skin	Ninety percentum of the value of the commodity (f.o.b) or Tshs. 900.00 per kilogramme whichever is greater.

PART VI  
AMENDMENT OF THE GAMING ACT,  
(CAP. 41)

Construction  
Cap. 41

13. This Part shall be read as one with the Gaming Act hereinafter referred to as the “principal Act”.

Amendment of  
section 3

14. The principal Act is amended in section 3, by adding in their appropriate alphabetical order the following new definitions:

“internet casino” means a game of chance or skill played for money by using a remote device with internet connection;”

“SMS lottery” means a lottery whose participation is by sending an SMS from a player’s mobile phone for purchase of a lottery virtual ticket;”

Amendment of  
section 26

15. Section 26 of the principal Act is amended by-

(a) deleting the word “and” appearing at the end of paragraph (g);  
and

(b) adding immediately after paragraph (h) the following:

(i) internet casino licence for conducting casino games through remote devices with internet connection;

(j) SMS lottery licence for conducting SMS lotteries for commercial purposes.”

Amendment of  
section 31

16. The principal Act is amended in section 31, by-

(a) deleting the word “thirteen” appearing in paragraph (a) and substituting for it the word “fifteen”;

(b) adding immediately after paragraph (a) the following new paragraph:

“(b) internet casino shall be paid at the rate of fifteen percent of the gross gaming revenue;”

(c) renaming paragraph (b) as paragraph (c).

Amendment of  
the Second  
Schedule

17. The principal Act is amended by repealing the Second Schedule and substituting for it the following new Schedule:

“SECOND SCHEDULE

(Made under section 31(2)

Item No.	Type of the Game	Gaming Tax
1.	Sports Betting	Six percent of total stakes.
2.	SMS Lotteries	Thirty percent of gross sales.
3.	Slot machines	Tshs. 32,000/= per machine per month.
4.	National Lotteries	Ten percent of gross sales.
5.	Forty Machines Site	Thirteen percent of gross gaming revenue.

PART VII

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

Construction  
Cap. 332

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

Amendment of  
the section 3

19. The principal Act is amended in section 3,-

- (a) by inserting the words “fiscal receipt, fiscal invoice, manual receipt”;; immediately after the word “order,” appearing in the definition of the term “document”;
- (b) by deleting the figure “54” appearing in the definition of the term “exempt amount”;
- (c) by adding immediately after paragraph (b) appearing in the definition of the term “income” the following new paragraph:
 

“(c) in the case of corporation with unrelieved losses referred to under section 4(1)(a), the turnover of that corporation for the year of income”.
- (d) in the definition of the term “investment assets”-
  - (i) by deleting paragraph (d) and renaming paragraph (e) as paragraph (d);
  - (ii) by deleting the word “and” appearing between the words “shares” and “securities” appearing in the renamed paragraph (d) and substituting for it the word “or”;
- (e) by deleting the definition of the term “statutory rate” and substituting for it the following new definition:
 

“statutory rate” in relation to calendar year means the prevailing discount rate determined by the Bank of Tanzania.”
- “(f) by inserting in its appropriate alphabetical order the following new definition-
 

“Strategic investor” means an investor who has been determined as such under the Tanzania Investment Act;”

Cap 38