



**CORETAX  
AFRICA**

# Budget Highlights 2026 - 2027

**JUNE 2026**

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# TABLE OF CONTENTS

|                                      |           |
|--------------------------------------|-----------|
| <b>Economic Analysis</b>             | <b>02</b> |
| <b>Proposed Tax Changes</b>          | <b>06</b> |
| <b>Value Added Tax</b>               | <b>07</b> |
| <b>Income Tax</b>                    | <b>09</b> |
| <b>Tax Administration</b>            | <b>14</b> |
| <b>Excise Duty</b>                   | <b>16</b> |
| <b>Other Proposed<br/>Amendments</b> | <b>37</b> |



90%

62%

95%

01

# Economic Analysis

## **Revenue and Expenditure**

### **Revenue.**

From July 2025 to April 2026, the Government collected revenue (including grants) amounting to 34.75 trillion shillings.

The Government targets to increase domestic revenue to 17.1% of GDP in 2026/27 from the projected 16.5 %in 2025/26.

### **Expenditures.**

From July 2025 to April 2026, total Government expenditure, excluding principal for debt repayment, amounted to 40.92 trillion shillings.

This expenditure comprised of salaries and entitlements, interest payments, procurement of goods and services, and other specific expenditures by the Government to finance the implementation of projects and provision of various services.

## **Budget Deficit Financing**

As of April 2026, the Government had borrowed a total of 11.29 trillion shillings from domestic and external markets, equivalent to 89.5% of the target.

Domestic borrowing was 5.08 trillion shillings, of which 2.55 trillion shillings was for rolling over maturing obligations, and 2.53 trillion shillings were used to finance development projects.

External borrowing amounted to 6.20 trillion shillings, of which 4.61 trillion shillings were concessional loans and 1.59 trillion shillings were non-concessional borrowings.

The Government targets to ensure that the budget deficit does not exceed 3.0% of GDP in 2026/27.

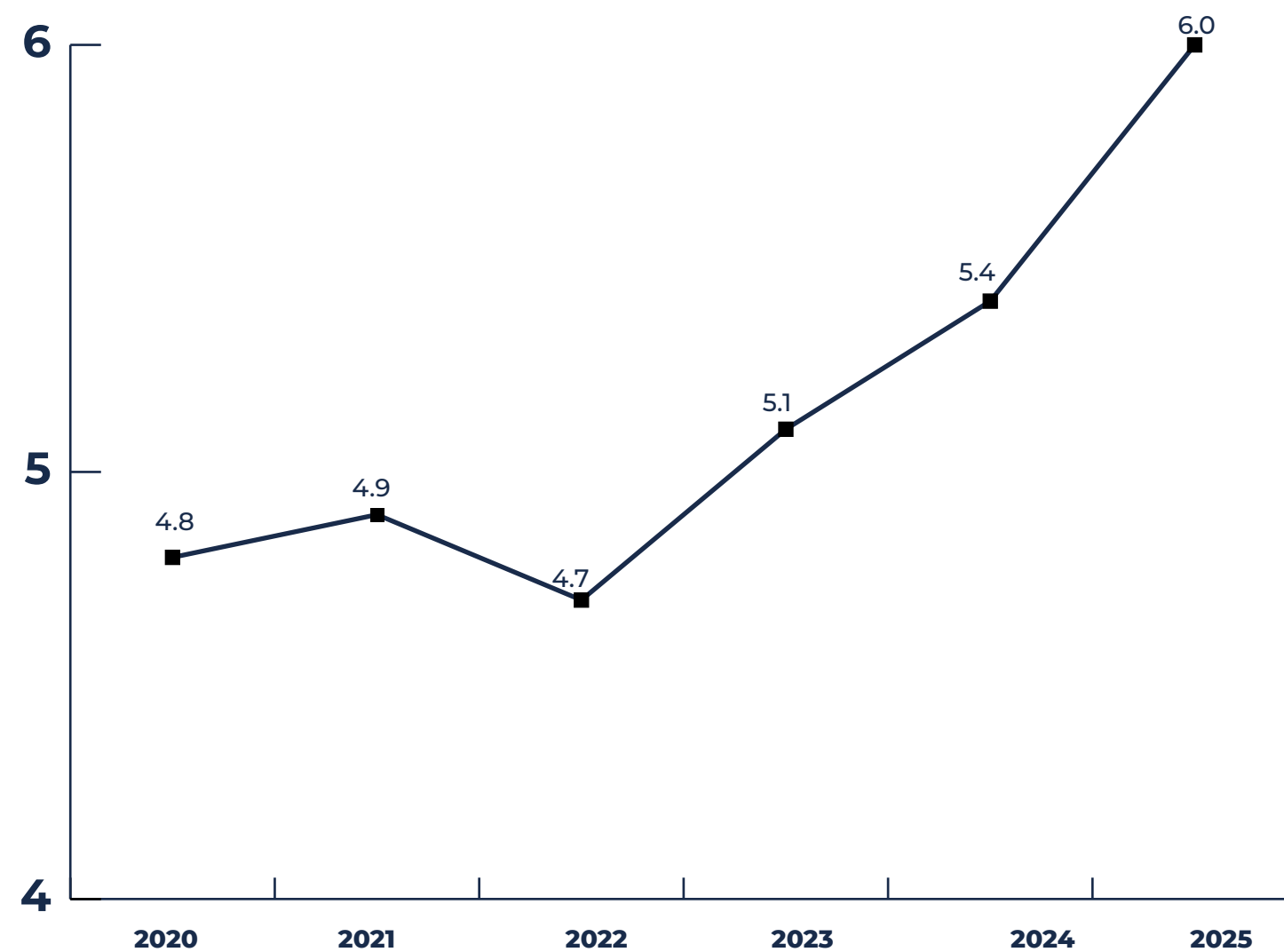
# ECONOMIC ANALYSIS

## Gross Domestic Product (GDP)

The real GDP in 2025 has grown by an average of 5.9 % compared to the target of 6 % achieved through infrastructure investment, electricity generation, agriculture sector and private sector credit and investment.

GDP in 2026 is forecasted to 6.3% driven by increased private sector participation in investment and business activities.

Actual GDP



Source: Annual minister speech

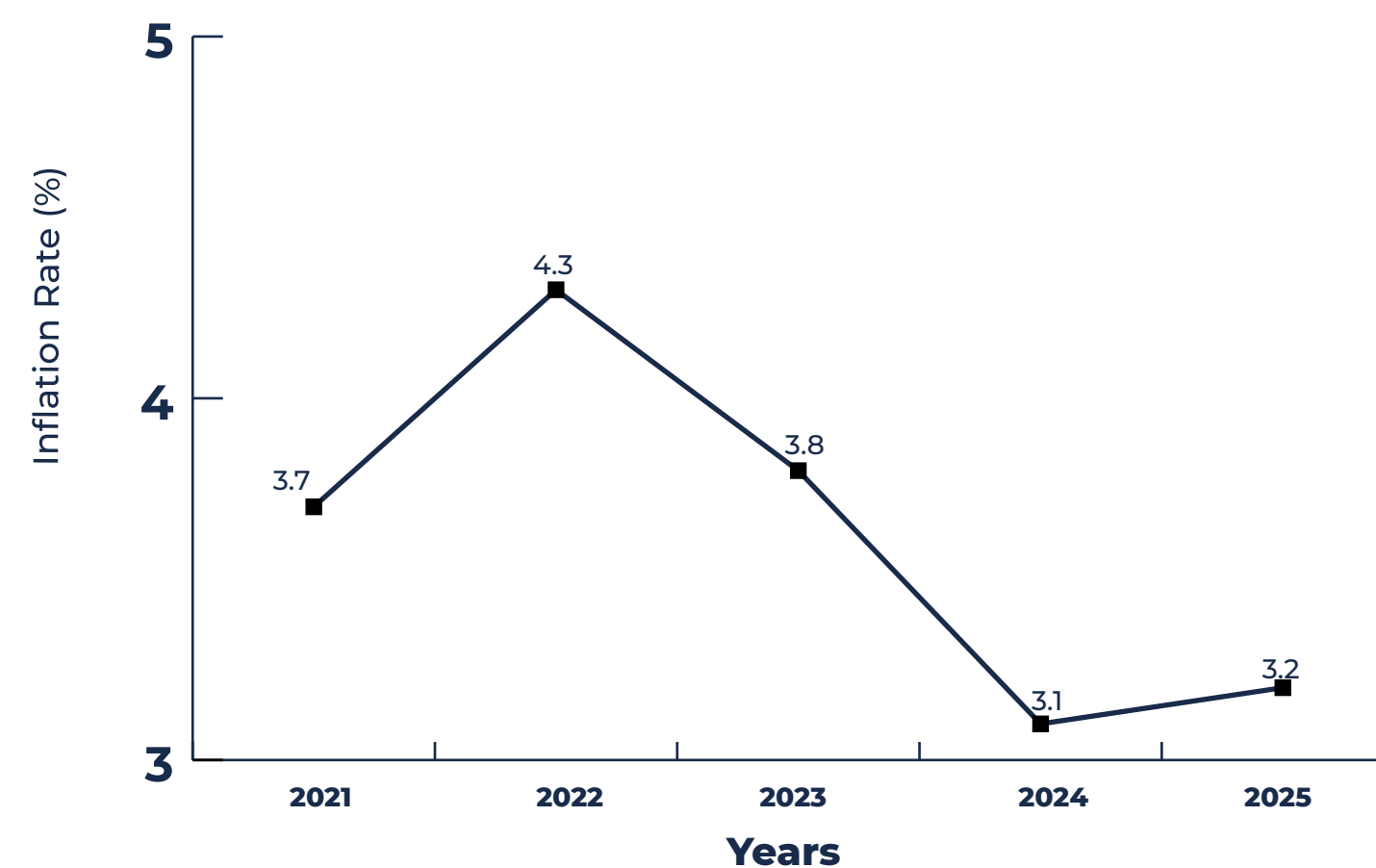
## Inflation

The headline inflation from July 2025 to April 2026 averaged 3.4%.

The inflation has maintained the medium target of between 3.0 – 5.0%.

The 2026/27 budget targets to control inflation rate and ensure it remains within single-digit range of an average of 3.0 - 5.0 % in the medium term despite global economic uncertainties.

Inflation Rate



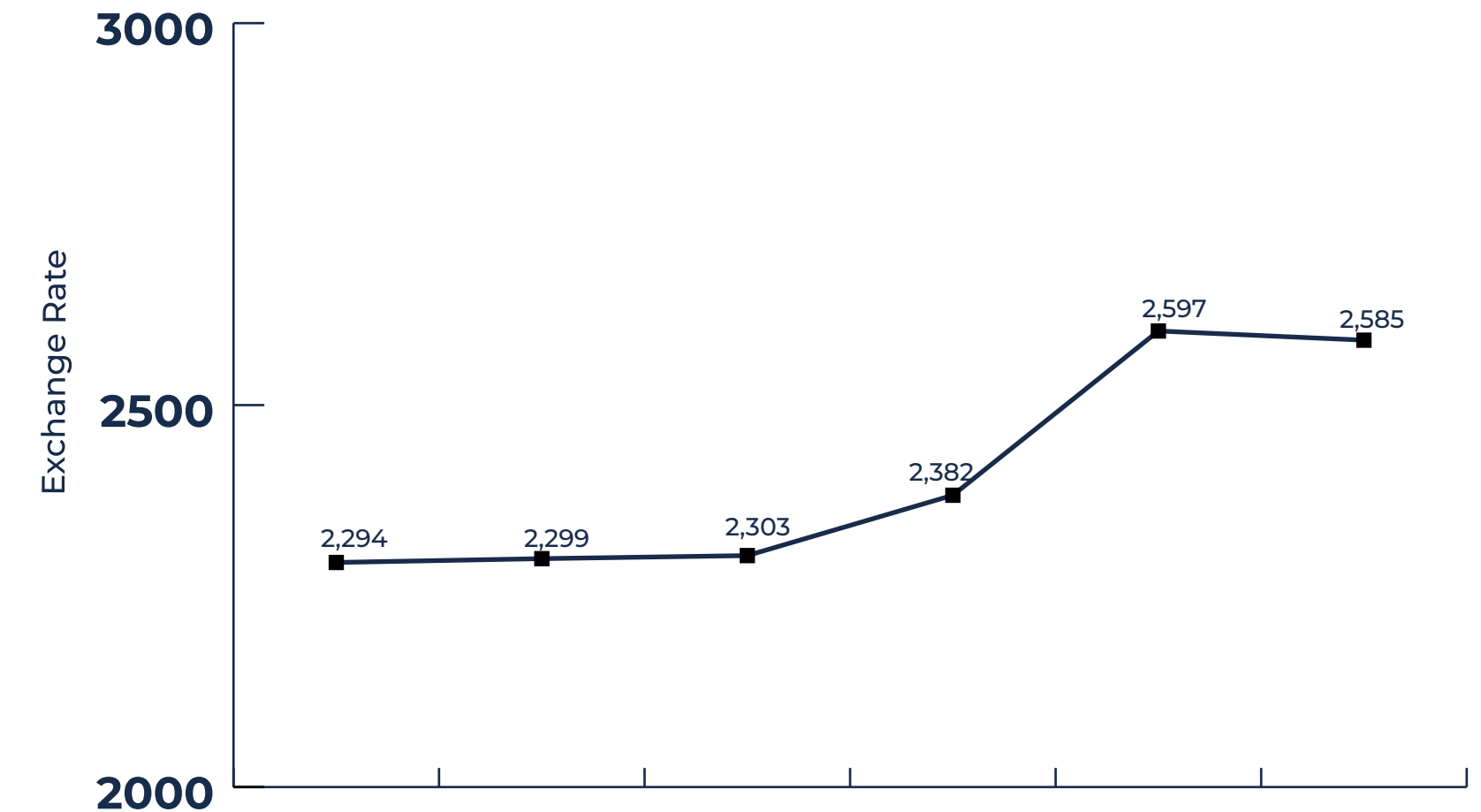
Source: Monthly BOT review – April 2025

## Exchange Rate

The value of the shilling against the currencies of major trading partners continued to strengthen, were for the year ending April 2026 the value of the shilling against the US dollar appreciated by an average of 2.7%.

As of April 2026, foreign exchange reserves stood at USD 5,722.5 million. This performance is firmly in line with the national target of covering imports of goods and services for at least four (4) months, providing a robust buffer for external sector stability.

Exchange Rates



Source: BOT website (External Statistic)

# ECONOMIC ANALYSIS

## Government Debt

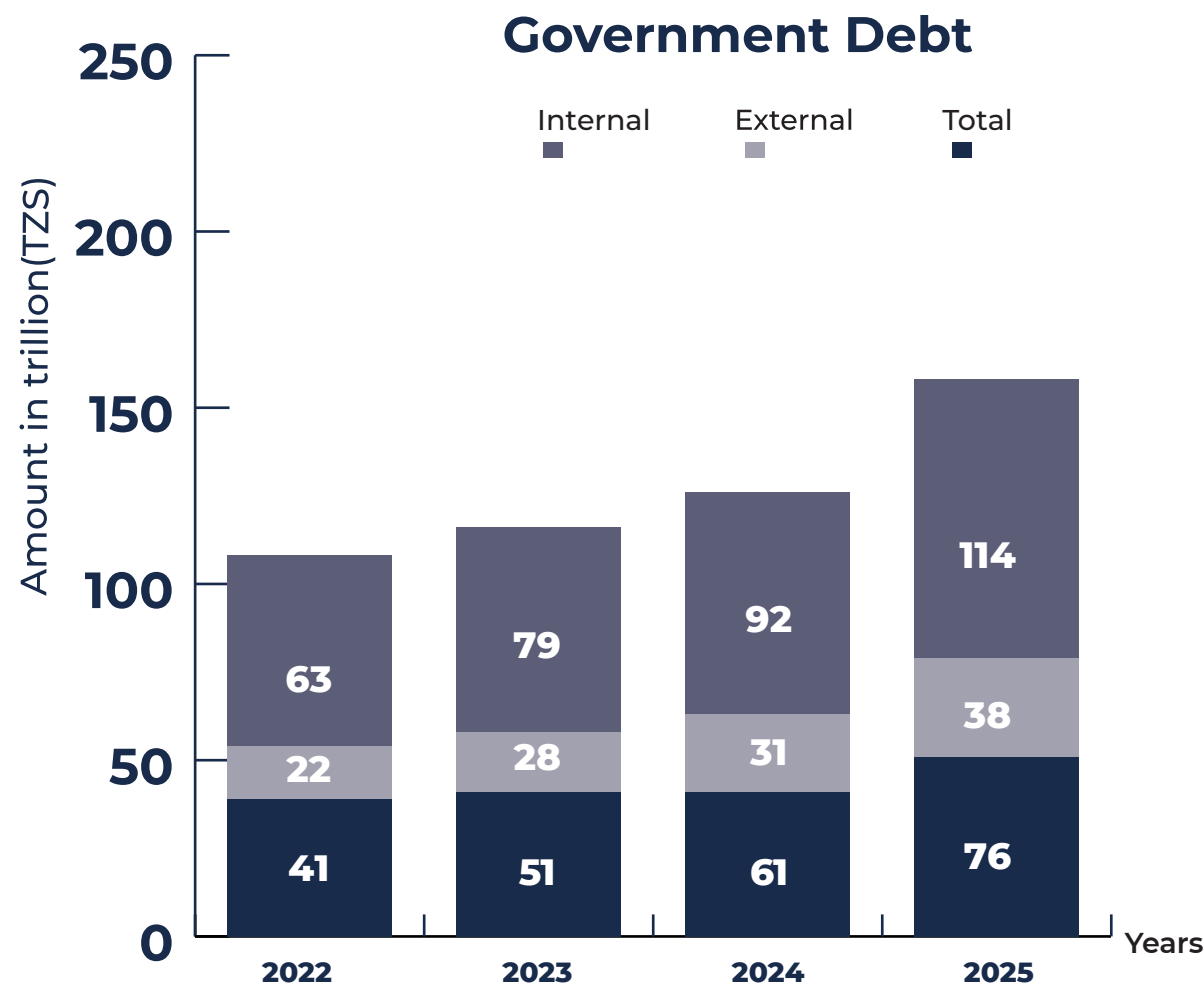
As of March 2026, the Government debt stood at 114.34 trillion shillings, of which domestic debt was 38.45 trillion shillings equivalent to 33.6%, and external debt was 75.89 trillion shillings (66.4%). The amount borrowed was directed towards strategic areas that stimulate economic growth, including the development of transport, energy and communication infrastructure.

Debt Sustainability Analysis conducted in November 2025 indicated that the debt is sustainable in the medium and long term.

The present value of Government debt to GDP is 39.6 % compared to the threshold of 55 %; external debt to GDP is 24.4% against the threshold of 40%; and external debt to exports is 123.1% against the threshold of 180%.

The budget presents among others, proposals for new fiscal policy measures to;

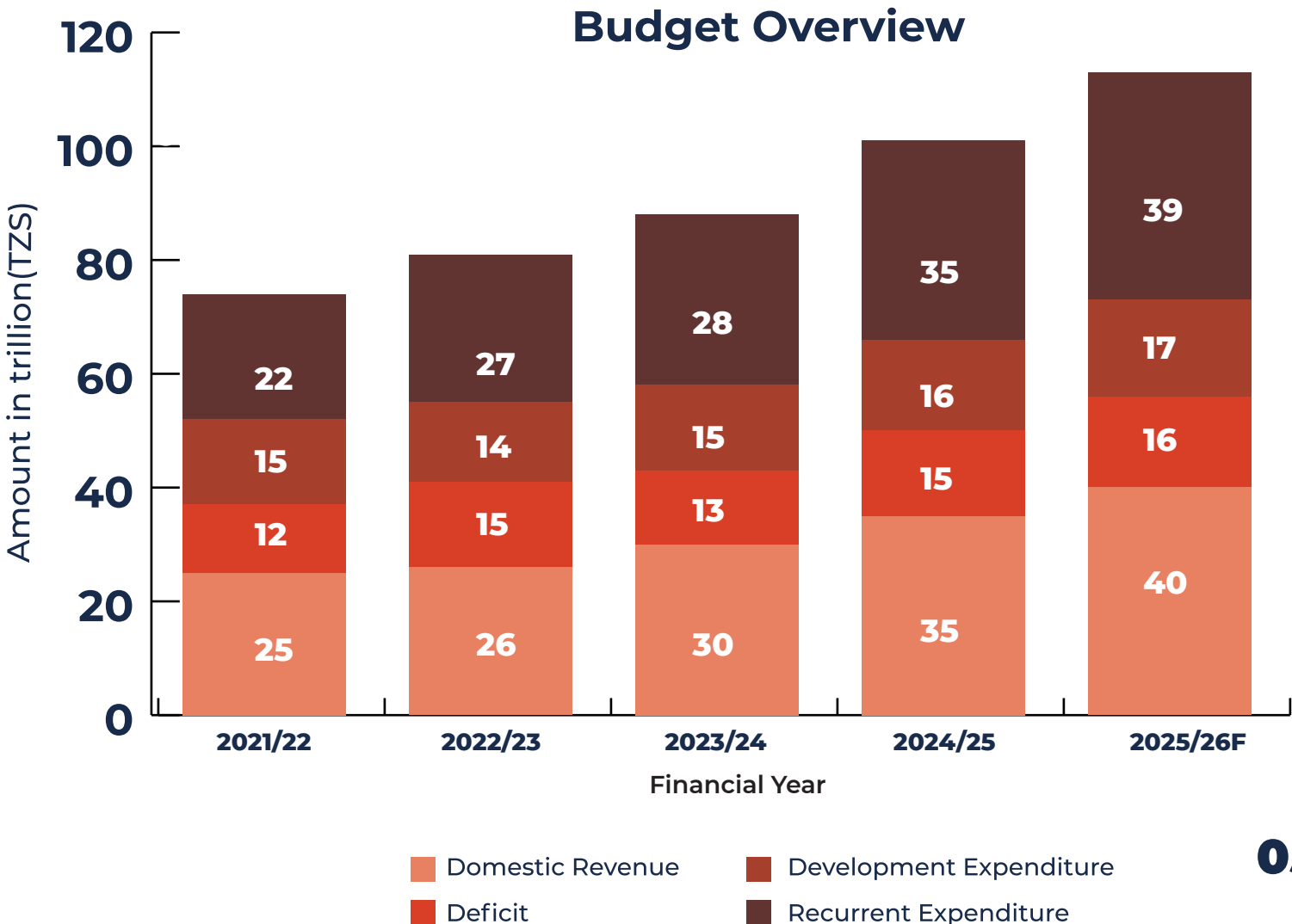
- promote pro-growth economy.
- Foster pro-investment and industrialization
- Increase revenue collection to improve our fiscal sovereignty
- Strengthen fiscal discipline.



Source: Annual minister speech

## Budget Overview

The 2026/27 budget is the first in the implementation of the Tanzania Development Vision 2050 (Dira 2050). This budget has been prepared in line with national, regional, and international frameworks, including: the Fourth National Five-Year Development Plan (2026/27 – 2030/31); Chama Cha Mapinduzi (CCM) Election Manifesto 2025; the East African Community Vision 2050; the African Union Agenda 2063; the Sustainable Development Goals 2030; as well as other regional and international agreements to which Tanzania is a signatory.



**02**

# **Proposed Tax Changes**



# **Value Added TAX (VAT)**

# VALUE ADDED TAX (VAT)

## 1. Proposal for a 30-day timeline for payment of VAT refunds.

Currently, the timeline for VAT refund obligation by the TRA to the Taxpayer stands at 90 days from the date of submission of the refund application. Concurrently, taxpayers shall be legally entitled to interest if the refund is delayed.

This measure aims at improving integrity, voluntary compliance, and administration efficiency, and accountability for both taxpayers and the revenue authority.

## 2. Proposed VAT Exemptions

| ITEM  | HS CODE          |
|---|------------------|
| Airline boarding passes   |                  |
| Locally produced and imported dairy packaging materials   | 3920.20.90       |
| VAT deferment on imported capital goods. (Sunset clause on VAT deferment has been removed. VAT deferment was set to end on 30 June 2026). |                  |
| Imported equipment to be used in electric vehicle charging stations   | 8504.40.00       |
| Turbojets, turbo-propellers and other gas turbines  | HS Heading 84.11 |
| Aircraft tires  | 4011.30.00       |

| ITEM   | HS CODE    |
|--|------------|
| Imported LPG smart meters. (This exemption is granted only to LPG distributors)  | 9028.10.00 |
| Edible oil produced locally using locally produced seeds for a period of one year. (The sunset clause that would have ended this exemption on 30 June 2026 has been removed) |            |
| Clothes and garments produced using locally grown cotton.  |            |

These measures intend to promote key economic sectors, support industrialization, and reduce the cost of strategic goods and investments by providing tax relief on selected products and equipment.

# VALUE ADDED TAX (VAT)

## 3. Abolished VAT Exemptions

| ITEM  | HS CODE          |
|---|------------------|
| Imported fishing nets                           | 5608.11.00       |
| Polyester fibres                                | 5402.20.00       |
| Dog and cat food, locally produced and imported | HS Heading 23.09 |



## 4. Recognition of Tax Exemptions under Mining Framework Agreements

To recognize the tax exemption provisions stipulated in Framework Agreements signed between the Government and Mining investors as approved by the Cabinet.

This condition aims to accelerate mining joint ventures, ensure contractual compliance with investors and standardize the exemption approval process.



# Income Tax



# INCOME TAX

## **1. Introduction of a 12-month income tax holiday for newly registered taxpayers.**

This measure grants newly registered taxpayers operating exclusively under the presumptive tax regime a 12-month income tax holiday commencing on the date of issuance of the Taxpayer Identification Number (TIN).

**Rationale:** *The objective of this reform is to reduce compliance burdens on startups, mitigate early-stage operational disruptions, and ensure future tax assessments align with verifiable historical turnover for the taxpayer.*

## **2. Increase of the statutory upper threshold for presumptive tax regime from an annual turnover of TZS 100 million to TZS 200 million.**

The measure aims to increase the statutory upper threshold for the presumptive tax regime from TZS 100,000,000 to TZS 200,000,000 and to additionally introduce an optional accounting provision enabling taxpayers with an annual turnover below TZS 200,000,000 to prepare audited financial statements at their own discretion for the purpose of adopting the self-assessment framework.

**Rationale:** *This amendment aligns the presumptive tax threshold with the VAT registration threshold, simplifying tax administration for SMEs, and provides greater flexibility for growing businesses.*

## **3. Increase of the presumptive tax rate from 3.5% to 4.5%.**

The proposed increase in the presumptive tax rate is for businesses with an annual turnover between TZS 11 million and TZS 200 million.

**Rationale:** *The Government seeks to enhance equity in taxation and increase revenue collection and ensure that the tax burden is fairly distributed based on actual income capacity. This amendment will increase the tax burden on SMEs operating under the presumptive regime.*

# INCOME TAX

## 4. Increase of income tax rate on foreign digital service providers from 2% to 3%

The increase in tax rate on payments made to foreign digital service providers reflects the Government's intention to enhance taxation of the digital economy and broaden the tax base.

**Rationale:** *The measure is likely to increase the cost of digital services provided by non-resident entities, which may ultimately be passed on to Tanzanian consumers and businesses utilizing such services.*

## 5. Amendment of Section 33A of ITA, 2023 to reduce the fraction of taxable deemed retained earnings.

The amendment reduces the portion of taxable profit deemed to have been distributed to shareholders (deemed retained earnings) from 30% to 15%.

**Rationale:** *This amendment will effectively reduce the potential withholding tax exposure arising from undistributed profits and encourage business reinvestment and reduce disputes relating to deemed dividends. However, this measure will not apply to small financial sector, Insurance, companies registered on the Dar es Salaam Stock Market (DSE) as well as Institutions that have Framework Agreements with Government.*

## 6. Expansion of legal interpretation of forest produce subject to single instalment tax.

The definition of forest produce will be expanded to include natural varnish, latex, resin, sap, and gum, with income from their sale which is subject to a 2% Single Instalment Tax on gross produce value.

**Rationale:** *This measure broadens the tax base and aligns the taxation of these products with the existing tax treatment of timber and other forest products. Businesses engaged in the extraction and sale of such products will face additional tax obligations, potentially increasing operational costs.*

# INCOME TAX

## **7. Increase of withholding tax on royalties paid to sports institutions from 5% to 10%.**

The withholding tax rate applicable to royalties paid to sports institutions and the Tanzania Football Federation will increase from 5% to 10%.

**Rationale:** *The Government intends to align the treatment of sports-related royalties with that of the film industry. While this promotes consistency in taxation, it may reduce the net income earned by sports institutions and other stakeholders receiving royalty payments.*

## **8. Introduction of withholding tax obligations on procurement of goods.**

The amendment extends withholding tax obligations to ministries, Government agencies, independent departments, regional secretariats, and local Government authorities, purchasing goods locally.

**Rationale:** *This significantly broadens the withholding tax collection framework and strengthens tax compliance monitoring. Suppliers to Government entities may experience increased withholding tax deductions and should ensure proper utilization of withholding tax credits.*

## **9. Introduction of 1% non-final withholding tax on payment made by corporations to a person in respect of purchases of food crops at time of sale or transportation.**

A 1% non-final withholding tax will be imposed on payment made by corporations to a person in respect of purchases of food crops. The tax shall become due on date of purchase, prior to its transportation or upon the transfer of ownership to another person and calculated based on prevailing market value determined by the relevant local authority and remitted to TRA and issued with Advance Single Installment Tax Certificate as proof of tax compliance.

**Rationale:** *The tax will be creditable against the purchaser's annual income tax liability. The measure aims to formalize agricultural trade and improve tax collection within the agricultural sector. However, it may increase administrative compliance requirements for purchasers involved in the agricultural value chain.*

# INCOME TAX

## 10. Introduction of 1% withholding tax on purchases of livestock, unprocessed milk, fish, and fish maws

Companies and institutions purchasing live animals, unprocessed milk, unprocessed fish, and fish maws will be required to withhold and remit 1% tax to the TRA.

**Rationale:** *This measure seeks to expand the tax base and formalize sectors that have historically experienced low levels of tax compliance. While supporting revenue collection efforts, the measure may increase compliance obligations and cash flow pressures for suppliers operating in these sectors.*

## 11. Recognition of tax exemptions under Government framework agreements with mining investors

The amendment formally recognizes tax exemptions granted under Framework Agreements between the Government and mining investors.

**Rationale:** *This amendment provides greater legal certainty for investors and supports the implementation of strategic mining projects. This measure is expected to enhance investment attractiveness within the mining sector while ensuring that tax incentives are granted within an established regulatory framework.*



# **Tax Administration**

**Tax Law**

# TAX ADMINISTRATION

**1. To permit the Commissioner General of the Tanzania Revenue Authority to sell perishable goods that have been distrained or seized, through public auction or private treaty after giving notice to the taxpayer, in order to preserve their value and safeguard Government revenue.**

**- This change is expected to prevent deterioration and loss of value of perishable goods due to storage-related challenges, and protect Government revenue.**



# Excise Duty

Tax Law

# EXCISE DUTY

## A. Excise Duty Act, Cap 147 / Proposed changes for 2026/2027

### 1. Proposed rates for excisable goods

| ITEM   | HS CODE                        | CURRENT RATE | PROPOSED RATE | COMMENTS/<br>RATIONALE   |
|--|--------------------------------|--------------|---------------|--|
| Imported artificial flowers, foliage, artificial fruits, and similar imported products                     | 67.02.                         | N/A          | 20%           | To mitigate the environmental impacts associated with the use of these products, while also broadening the tax base and enhancing Government revenue.                    |
| Imported ultraviolet/light-emitting diodes (UV/LED) gel nail curing machines used for manicure or pedicure | 8516.79.00.                    | N/A          | 10%           | To broaden the tax base and mitigate the health risks associated with the consumption of these products, including the potential for long-term cancer-related illnesses. |
| Beauty products  | 33.03; 33.04; 33.05; and 33.07 | 10%          | 15%           | To enhance Government revenue and harmonize the rate with tariffs applied by certain East African Community member states, including Kenya, Uganda, and Rwanda           |

# EXCISE DUTY

| ITEM  | HS CODE     | CURRENT RATE | PROPOSED RATE | COMMENTS/<br>RATIONALE  |
|---|-------------|--------------|---------------|---|
| Motorcycles, excluding motorcycles specifically designed for transporting emergency patients (motorcycle ambulances), motorcycles that use natural gas, and electric motorcycles. | N/A         | N/A          | 5%            | To align with the Government's objectives to promote the use of clean energy on vehicle transportation in the country |
| Imported plastic or rubber clogs  | 6402.99.00. | N/A          | 10%           | To protect local industries producing plastic shoes and to encourage local manufactures.                              |
| Vehicles with engine capacities (CC) from 1,000 and below   | 8703.21.90  | N/A          | 5%            | To address negative externalities, broaden tax base and increase Government revenue.                                  |

# EXCISE DUTY

| ITEM  | HS CODE | CURRENT RATE | PROPOSED RATE | COMMENTS/<br>RATIONALE  |
|---|---------|--------------|---------------|---|
| Value of bets in gambling activities, including land-based or online/internet sports betting, land-based or online/internet casino gaming, forty-machine slot games, and virtual games operations | N/A     | N/A          | 5%            | To mitigate the negative impacts of gambling, including addiction and reduced workforce productivity resulting from increased youth participation in gambling activities instead of engaging in productive economic pursuits. |
| Imported used vehicles aged up to 8 years but not exceeding 10 years  | N/A     | 15%          | 20%           | To discourage the importation of such vehicles and reduce environmental pollution and waste disposal costs associated with them.  |
| Imported used vehicles aged up to over 10 years but not exceeding 20 years  | N/A     | 30%          | 40%           |   |
| Vehicles over 20 years  | N/A     | N/A          | 50%           |   |

# EXCISE DUTY

**2.** To amend the act, to recognize excise duty exemptions granted under Cabinet-approved Framework Agreements with mining investors, thereby facilitating the timely implementation of joint venture mining projects and ensuring fulfilment of the Government’s contractual obligations. This amendment supports the fulfilment of the Government’s contractual commitments, enhances project efficiency, and facilitates the timely implementation of joint venture projects.

**3.** To broaden the application of excise duty to excisable services supplied by non-resident providers through online platforms directly to consumers in Tanzania, regardless of physical presence, in order to promote tax equity and ensure fair competition between traditional and digital service providers.

## **B. Import Controls Act, Cap 276 Proposed changes for 2026/2027**

**1.** To exempt products originating from EAC Partner States from the industrial development levy, subject to compliance with the EAC Rules of Origin, while applying reciprocal measures against member states that impose discriminatory trade barriers on Tanzanian goods, thereby promoting fair trade and protecting Tanzania’s export interests.

### **2. Imposition of Industrial development levy**

| ITEM                                  | HS CODE                   | CURRENT RATE | PROPOSED RATE | COMMENTS/<br>RATIONALE   |
|---------------------------------------|---------------------------|--------------|---------------|--|
| Imported exercise books and notebooks | 4820.10.00 and 4820.20.00 | N/A          | 5%            | To attract investment, promote export growth, and enhance the competitiveness and protection of domestic industries. |

# EXCISE DUTY

| ITEM                                      | HS CODE                                 | CURRENT RATE | PROPOSED RATE | COMMENTS/<br>RATIONALE   |
|---|---|--------------|---------------|--|
| Imported trailers                         | 8716.31.90, 8716.39.90, and 8716.40.90. | N/A          | 5%            | To attract investment, promote export growth, and enhance the competitiveness and protection of domestic industries. |
| Imported fishing nets                     | 5608.11.00                              | N/A          | 10%           |  |
| Imported doors, windows, and their frames | 7610.10.00                              | N/A          | 5%            |  |
| Imported steel structure products         | 7308.90.99.                             | N/A          | 10%           |  |
| Aluminium structures                      | 7610.10.00.                             | N/A          | 5%            |  |

# EXCISE DUTY

## C. Export tax Act, Cap 196 / Proposed changes for 2026/2027

### 1. Imposition of export tax

| ITEM            | HS CODE     | CURRENT RATE | PROPOSED RATE  | COMMENTS/<br>RATIONALE   |
|-----------------|-------------|--------------|--|--|
| Waste paper     | 4707.00.00. | N/A          | 30% of the value of cargo (FOB) or 200 shillings per kilogram, whichever is higher             | To stimulate value addition within the country and ensure the availability of this raw material for paper and box manufacturers within the country |
| Quartz minerals | 25.06       | N/A          | 10% or 200 shillings per kilogram, whichever is higher, on exported goods, whichever is higher | To ensure the availability of sufficient raw materials for marble and glass manufacturers in the country   |
| Feldspar        | 2529.10.00  |              |  |  |
| Wheat bran      | 2529.10.00  |              | 50 shillings per kilogram  | To ensure adequate supply of these products, which are essential raw materials for animal feed production  |
| Cotton cake     | 2306.10.00  |              |  |  |
| Rice bran       | 2302.40.00  |              |  |  |
| Maize bran      | 2302.10.00  |              |  |  |
| Sunflower cake  | 2306.30.00  |              |  |  |

# EXCISE DUTY

## D. East Africa Customs Management Act, 2004 / Proposed changes for 2026/2027

### 1. Proposed changes in Common External Tariff (Grant of stay application for one year)

| ITEM                                | HS CODE                                | CURRENT RATE | PROPOSED RATE                             | COMMENTS/<br>RATIONALE  |
|-------------------------------------|--|--------------|---|---|
| Worked monumental or building stone | 68.02                                  | 25 %         | 35% or US\$ 2 per SQM whichever is higher | To promote the use of locally available stone.  |
| Aluminium bars, rods and profiles   | 76.04                                  | 25%          | 25% or US\$ 550/MT whichever is higher    | To protect local industry, address under-invoicing and undervaluation of the imported products, attract investment, employment creation<br>Government revenue |
| Washing powder                      | 3402.49.00; 3402.50.00; and 3402.90.00 | 25%          | 35% or US\$ 350/MT whichever is higher    | To protect local industry, address under-invoicing and undervaluation of the imported products, attract investment  |
| Welding electrodes                  | 8311.10.00                             | 25%          | 35% or US\$ 250/MT whichever is higher    | To safeguard domestic industries, curb under-invoicing, and undervaluation of imported products, and promote investment attraction                            |

# EXCISE DUTY

| ITEM   | HS CODE  | CURRENT RATE | PROPOSED RATE                                     | COMMENTS/<br>RATIONALE   |
|--|--|--------------|---|--|
| Crude palm oil (CPO)   | 1511.10.00   | 0%           | 10%   | To encourage domestic processing of vegetable oils using locally grown seeds, attract investment, and curb misdeclaration and misclassification of goods.  |
| Calcium carbonate  | 2836.50.00   | 0%           | 10%   | To safeguard the domestic industry and encourage investment in this sector.  |
| Imported cotton grey fabric  | 5208.11.00; 5208.12.00;<br>5208.19.00; 5209.19.00;<br>5211.11.00; 5209.11.00;<br>5210.11.00; 5211.12.00;<br>5208.13.00; 5209.12.00;<br>5210.19.00; 5211.19.00;<br>5212.11.00; and 5212.21.00 | 25%          | 35 %or 0.30 US\$ per meter<br>whichever is higher | To protect local manufacturers, curb under-invoicing and undervaluation of imported products, promote domestic production of cotton grey fabric, create employment opportunities, and safeguard Government revenue |
| Doors, windows and their frames and thresholds for doors, of plastic | 3925.20.00   | 25%          | 35%   | To protect local industry and attract investment   |

| ITEM                    | HS CODE   | CURRENT RATE | PROPOSED RATE | COMMENTS/<br>RATIONALE  |
|-------------------------|---|--------------|---------------|---|
| Electric motor vehicles | 8702.40.19; 8702.40.22;<br>8702.40.29; 8702.40.99;<br>8703.80.90 and 8704.60.90 | 25%          | 10%           | To promote the use of electrical energy in transport sector in order to reduce dependence on petrol and diesel in the country |

## 2. Amendments of EAC Common External Tariffs

| ITEM   | HS CODE  | CURRENT RATE | PROPOSED RATE  | COMMENTS/<br>RATIONALE   |
|--|--|--------------|--|--|
| Ceramic tiles  | 6907.21.00; 6907.22.00;<br>6907.23.00; 6907.30.00;<br>and 6907.40.00 | 35%          | 35% or US\$ 3 per SQM<br>whichever is higher         | To protect regional industry, address under invoicing and under valuation of the imported products and attract investment                                |
| Nails, tacks, drawing pins, corrugated nails staples and similar articles of iron or steel, whether or not with heads of other materials | 7317.00.00.  | 35%          | 35% or US\$ 350 per metric tonne whichever is higher | To protect regional industry, address under-invoicing and under valuations of the imported products, attract investment and safeguard Government revenue |

### 3. Duty remission for one year

| ITEM  | HS CODE                                  | CURRENT RATE | PROPOSED RATE                | COMMENTS/<br>RATIONALE   |
|---|--|--------------|------------------------------|--|
| Paper used to manufacture corrugated boxes.   | 4805.24.00; and<br>4805.25.00            | 25%          | 10%                          | To lower production costs and ensure corrugated boxes are available at affordable prices.  |
| Paper used to manufacture corrugated boxes.   | 4804.19.00; 4804.39.00<br>and 4804.52.00 | 10%          | 0%                           |  |
| Raw materials used to manufacture packaging   | 3506.91.00 and 3920.10.10                | 10% or 25%   | 0%                           | To reduce cost of production and ensure availability packaging materials at of affordable costs  |
| Raw materials used by manufacturers of aluminium products                           | 3210.00.99                               | 35%          | 10%                          | To reduce production cost of aluminium products in the country and attract investment  |
| Packaging materials for the manufacture of acaricides                               | N/A                                      | N/A          | 0%                           | To reduce production cost of acaricides in the country, attract investment and employment creation   |
| Wire of iron or non-alloy steel used for the manufacture of concrete electric poles | 7217.10.00 and 7217.90.00                | 10%          | Extend 10% for one more year | To reduce the cost of producing concrete electric poles and support the expansion of electricity supply by making electrification projects more affordable and accessible in the region. |

4. Amendment of Paragraph 1 of Part B of the Fifth Schedule to the EAC Customs Management Act, 2004 to include specified paper exclusively used for printing passenger boarding passes within the scope of import duty exemption for aircraft operations. This amendment is intended to align with international standards and Bilateral Air Services Agreements (BASA) ratified by Partner States.
5. Amendment of Paragraph 20 of Part B of the Fifth Schedule to the EAC Customs Management Act, 2004 to recognize all authorities responsible for disaster management within the EAC Partner States. This amendment seeks to address variations in Partner States' legislation on disaster management, where such functions may not necessarily be designated under the title of Director of Disaster Management.
6. EAC Partner States have agreed to introduce the East African Community Assembling and Manufacturing of Products Regulations, 2025, which were planned to take effect from 1st July 2026. These Regulations establish a harmonized framework for setting up and administering assembling and manufacturing schemes across the Community, with the aim of strengthening regional value chains, enhancing industrial competitiveness, and providing a predictable investment environment. They are intended to promote value addition and increase local content by encouraging the use of raw materials and goods produced within the EAC in assembling and manufacturing activities.
7. Partner States have agreed to defer the implementation of the Regulations to 1st July 2027. The extension is intended to allow sufficient time for domestic industries to begin producing goods that are required to be sourced within the Community.
8. EAC Partner States agreed to assign a specific import duty rate on selected products including lubricants, yeast and photocopying and printing paper to protect industries within the Community and address under-declaration and under valuations. The new rates will take effect from 1st July 2026 as follows:

| ITEM       | HS CODE    | CURRENT RATE | PROPOSED RATE                                  |
|------------|------------|--------------|--|
| Lubricants | 2710.19.51 | 25%          | 25% or US\$ 0.46 per litre whichever is higher |

Cont'd..

| ITEM                            | HS CODE    | CURRENT RATE | PROPOSED RATE                                  |
|---------------------------------|------------|--------------|--|
| Yeast                           | 2102.10.00 | 25%          | 25 %or US\$ 0.46 per litre whichever is higher |
| Photocopying and printing paper | 4802.56.00 | 25%          | 25 %or US\$ 200/MT whichever is higher         |
|                                 | 4802.57.00 | 10%          | 10 %or US\$ 80/MT whichever is higher          |

9. The proposed measures that were taken into effect in the financial year 2025/26 which continue to be implemented in 2026/27 are as follows

| ITEM   | HS CODE                   | CURRENT RATE | PROPOSED RATE |
|--|---------------------------|--------------|---------------|
| Cash registers and other Electronic Fiscal Device (EFD) Machines and Point of Sale (POS) | 8470.50.00 and 8470.90.00 | 10%          | 0%            |
| Cocoa powder, not containing added sugar or other sweetening matter                      | 1805.00.00                | 10%          | 0%            |

| ITEM  | HS CODE   | CURRENT RATE                          | PROPOSED RATE                         |
|---|---|---------------------------------------|---------------------------------------|
| packing materials for processed coffee  | 7310.21.00; 6305.10.00;   | 25%                                   | 0%                                    |
| Packing materials used by local producers of agricultural seeds   | 6305.10.00; 4819.40.00; 7310.29.90; 6305.33.00; 6305.20.00; 6304.91.90 and 7607.19.90   | 25%                                   | 0%                                    |
| Iron and steel  | 7209.16.00; 7209.17.00; 7209.18.00; 7209.25.00; 7209.26.00; 7209.27.00; 7209.28.00; 7209.90.00; 7211.23.00; 7211.90.00; 7226.92.00; and 7225.50.00. | 10%                                   | 10% or USD 125/MT whichever is higher |
| hot-rolled bars and rods, of iron or non-alloy steel  | 7213.10.00; 7213.20.00; 7213.99.00;   | 25% or USD 200/MT whichever is higher | 25% or USD 250/MT whichever is higher |
| Monofilament of which any cross-sectional dimension exceeds 1mm, rods, sticks and profile shapes whether or not surface worked but not otherwise worked of plastics | 3916.20.00; 3916.10.00; 3916.90.00.   | 0%                                    | 10%                                   |

| ITEM   | HS CODE                               | CURRENT RATE                            | PROPOSED RATE                            |
|--|---------------------------------------|---|--|
| Imported wheat grain   | 1001.99.10 and 1001.99.90             | 35%                                     | 10%                                      |
| Refined Bleached Deodorized (RBD) Palm Stearin   | 1511.90.40                            | 10%                                     | 0%                                       |
| Safety matches   | 3605.00.00.                           | 25%                                     | 25 % or US\$ 1.35/kg whichever is higher |
| Mineral water and aerated waters   | 2201.10.00.                           | 25%                                     | 60%                                      |
| Gypsum powder  | 2520.20.00                            | 0%                                      | 10 %                                     |
| Worn items of clothing, footwear, and articles   | 6309.00.10; 6309.00.20 and 6309.00.90 | 35% or US\$ 0.40/Kg whichever is higher | 35%                                      |
| Raw materials, accessories, and machineries used to manufacture textiles and leather products. |                                       | Remission                               | Remission                                |
| New pneumatic tyres of rubber, of a kind used on motorcycles                                   | 4011.40.00.                           | 10%                                     | 25%                                      |

| ITEM   | HS CODE   | CURRENT RATE | PROPOSED RATE                         |
|--|---|--------------|---------------------------------------|
| Organic surface-active agents used by manufacturers of detergents and liquid soaps | 3402.31.00; 3402.39.00; and 3402.49.00                      | 10% or 25%   | 0%                                    |
| Raw material used in leather processing  | 3208.20.10; 3208.20.20; 3208.90.20 and 3210.00.10           | 35% or 10%   | 0%                                    |
| Packaging materials used by local manufacturers of tea (blenders)                  | 4819.20.90; 5407.44.00                                      | 25%          | 0%                                    |
| Flat-rolled products   | 7212.20.00  | 10%          | 10% or US\$125/MT whichever is higher |
| Baby diapers   | 9619.00.90.   | 25%          | 35%                                   |
| Cotton yarn  | Headings 52.05; 52.06; and 52.07 except HS Code 5205.23.00. | 10%          | 25%                                   |
| Horticultural products   | 0604.20.00; 0604.90.00; 0808.10.00; and 0808.30.00          | 25%          | 35%                                   |
| Inputs used to manufacture soap  | 3401.20.10  | 35%          | 10%                                   |

| ITEM  | HS CODE  | CURRENT RATE        | PROPOSED RATE |
|---|--|---------------------|---------------|
| Inputs used to manufacture electrical cables  | 7312.10.00; 7217.20.00; 7408.19.00; 7409.11.00; 7605.21.00; 2710.19.56; 3815.90.00; 5402.19.00; 5903.90.00; 7907.00.00; and 2712.10.00 | 10% or 25%          | 0%            |
| Polyester/ Nylon Twine for one year   | 5607.50.00   | 10 %                | 25%           |
| Smart cards imported by the National Identification Authority   | 8523.52.00   | 25%                 | 0%            |
| Imported Vitenge  | 5208.51.10; 5208.52.10; 5209.51.10; 5210.51.10; 5211.51.10; 5212.15.10; 5212.25.10; 5513.41.10; and 5514.41.10                         | 50%                 | 35%           |
| Imported items (other paper, paperboard, cellulose wadding and webs of cellulose fibres) for one year | 4811.90.00   | 10%                 | 25%           |
| Cane sugar  | 1701.14.90   | 100% or US\$ 460/MT | 35%           |

| ITEM  | HS CODE   | CURRENT RATE    | PROPOSED RATE |
|---|---|-----------------|---------------|
| Inputs used to manufacture of radiators   | 7409.11.00; 7409.19.00;<br>7410.11.00; 7410.12.00;<br>7409.21.00; 8001.10.00; and<br>3810.90.00   | 10%, 25% or 35% | 0%            |
| Lithium-ion electric accumulators used in the assembling/<br>manufacturing of vehicle and motorcycles | 8507.60.00  | 25%             | 0%            |
| Inputs used by domestic manufacturers of yoghurt, powdered or UHT milk                                | 3923.50.90; 4819.20.90;<br>4819.30.00; 4819.50.00;<br>4821.90.00; and 7607.19.90  | 25% or 35%      | 0%            |
| Inputs and raw materials used to manufacture optical fibre cables                                     | 3215.19.00; 3403.99.00;<br>3506.91.00; 3818.00.00;<br>3907.99.00; 3907.99.00;<br>3916.90.00; 3917.39.00;<br>3919.90.90; 3920.69.90;<br>3920.99.90; 3921.14.90;<br>3921.90.90; 5402.11.00;<br>5404.90.00; 7019.90.90;<br>8536.90.00; and<br>8544.49.00 | N/A             | 0%            |

| <b>ITEM</b>   | <b>HS CODE</b>   | <b>CURRENT RATE</b> | <b>PROPOSED RATE</b>                    |
|---|--|---------------------|---|
| Float, toughened and multiple-walled insulating units of glass                | 7005.10.00; 7005.21.00; 7005.29.00; 7005.30.00; 7007.19.00; 7007.29.00 and 7008.00.00  | 10%                 | 35%                                     |
| Iron and steel flat rods products   | 7225.91.00; 7225.92.00; and 7225.99.00   | 10%                 | 25% or US\$ 300/ MT                     |
| Corrugated iron sheets  | 7210.30.00 and 7210.41.00  | 35%                 | 35% or US\$ 500/ MT whichever is higher |
| Table salt  | 2501.00.90   | 35%                 | 50%                                     |
| Semi-finished flat rolled products  | 7226.99.00   | 10%                 | 10% or US\$ 300/ MT                     |
| Crude vegetable oils of soya-beans, groundnuts, coconuts, mustard and linseed | 1507.10.00; 1508.10.00; 1513.11.00; 1513.21.00; 1514.11.00; 1514.91.00; and 1515.11.00 | 10%                 | 10%                                     |
| Unbleached kraft paper and paperboard   | 4804.51.00   | 10%                 | 25%                                     |

| ITEM   | HS CODE  | CURRENT RATE                           | PROPOSED RATE                          |
|--|--|--|--|
| buses for transportation of more than 25 persons                                       | 8702.10.99; 8702.20.99 and 8702.90.99  | 25%                                    | 0%                                     |
| Fibreboard of wood or other ligneous materials such as medium density fibreboard (MDF) | 44.11  | 25%                                    | 35%                                    |
| plywood, veneered panels, and similar laminated wood                                   | 44.12  | 10%                                    | 35%                                    |
| refined vegetable oils   | 1507.90.00; 1508.90.00; 15.09; 15.10; 1511.90.30; 1511.90.90; 1512.29.00; 1514.19.00; 1513.19.00; 1514.99.00; 1512.19.00; 1513.29.00; 1515.19.00; 1515.29.00; 1515.50.00; 1515.60.00 and 1515.90.00. | 35%                                    | 35% or US\$ 300/MT whichever is higher |
| Flat-rolled products of iron or non-alloy steel  | 7210.49.00; 7210.61.00; 7210.69.00; 7210.70.00; and 7210.90.00   | 25% or US\$ 200/MT whichever is higher | 35% or US\$ 350/MT whichever is higher |

| ITEM   | HS CODE   | CURRENT RATE                              | PROPOSED RATE                             |
|--|---|---|---|
| flat-rolled products   | 7212.20.00  | 10%                                       | 10% or US\$125/MT<br>whichever is higher  |
| flat-rolled products of iron<br>or non-alloy steel                       | 7212.30.00  | 25% or US\$ 200/MT<br>whichever is higher | 25% or US\$ 300/MT<br>whichever is higher |
| flat-rolled products of iron<br>or non-alloy steel                       | 7212.40.00 and<br>7212.50.00  | 35%                                       | 35% or US\$ 350/MT<br>whichever is higher |
| flat-rolled products of iron<br>or non-alloy steel                       | 7212.60.00  | 10%                                       | 10% or US\$ 300/MT<br>whichever is higher |
| bars and rods of iron or<br>non-alloy steel                              | 72.14   | 35%                                       | 35% or US\$ 250/MT<br>whichever is higher |
| semi-finished flat rolled<br>products                                    | 7226.99.00  | 10%                                       | 10% or US\$ 300/MT<br>whichever is higher |
| Other tubes, pipes, and<br>hollow profiles of iron or<br>non-alloy steel | 7306.30.00; 7306.50.00;<br>7306.61.00; 7306.69.00;<br>and 7306.90.00. | 25%                                       | 25% or US\$ 250/MT<br>whichever is higher |



# **Other Administrative Changes**

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# OTHER ADMINISTRATIVE CHANGES

## **The Tanzania Revenue Authority Act, CAP 399**

Increase in Customs Processing Fee from 0.6% to 1%.

*This change aims to increase Government revenue to support the improvement of electronic revenue collection systems.*

## **The Tax Revenue Appeals Act, CAP 408**

Extension of the statutory timeline for out-of-court amicable settlement of tax disputes between the Commissioner General of the Tanzania Revenue Authority and taxpayers from 60 days to 90 days, starting from the date on which the Tax Appeals Board (TRAB) or Tax Appeals Tribunal (TRAT) issues an order permitting alternative dispute resolution.

*This amendment aims to ensure that both parties are granted sufficient time to resolve tax disputes amicably and efficiently. This measure could potentially assist with the backlog of cases currently sitting in these two bodies.*

## **The Roads and Fuels Tolls Act, CAP 220**

Amendment of the Act to recognize tax exemption provisions stipulated in Framework Agreements signed between the Government and mining investors, as approved by the Cabinet.

*This measure will accelerate joint venture mining projects, streamline the granting of exemptions, and ensure contractual compliance and timely implementation. Furthermore, this measure could provide clarity to mining investors by reducing the administrative burden taxpayers face when following up on contractual exemptions with various offices.*

# OTHER ADMINISTRATIVE CHANGES

## **The Road Traffic Act, CAP 168**

Amendment of the Act to allow vehicles or trailers registered in accordance with the laws of Tanzania Zanzibar to operate in Mainland Tanzania using Zanzibar registration numbers, provided that all applicable taxes have been duly paid in accordance with Mainland Tanzania laws and procedures.

Additionally, a similar arrangement currently applies to vehicles originating from Mainland Tanzania operating in Tanzania Zanzibar.

*This change aims to address operational challenges associated with cross-border use of vehicles within the Union and ensures reciprocal alignment between Tanzania Mainland and Tanzania Zanzibar.*

## **The Investment and Special Economic Zones Act, 2025**

The minister proposes to amend the Investment and Special Economic Zones Act, 2025 by including road tractors for semi-trailers (HS Codes 8701.21.90, 8701.22.90, 8701.23.90, and 8701.24.90) in the negative list of goods that are not eligible for tax exemption.

*This measure aims to protect local industries, safeguard employment, and preserve Government revenue.*

## **The Fair Competition Act, CAP 285**

The Minister proposes to amend Section 88 of the Fair Competition Act, CAP 285 by specifying that the revenue of the Fair Competition Tribunal (FCT) shall include 0.5 % of the revenue collected by regulatory authorities listed under Section 88(1)(d), including EWURA, LATRA, TCRA, and TCAA.

*This amendment aims to address gaps caused by the absence of specified contribution rates despite defined revenue sources and responsible institutions.*

# OTHER ADMINISTRATIVE CHANGES

## The Stamp Duty Act, CAP 189

### Proposed Amendments

- To expand the definition of the term “lease” to include documents relating to the exchange of movable property within the scope of stamp duty. This will capture all dutiable items whether movable or immovable
- To increase the stamp duty on Bills of Sale by way of collateral security from TZS 1,000 to TZS 10,000.
- To increase the maximum limit for stamp duty on Bills of Sale by way of security from TZS 10,000 to TZS 100,000.
- To revise the scope of capital value on partnership deeds and adjust the applicable stamp duty rates as follows:
  - TZS 5,000 for deeds with a capital value not exceeding TZS 1,000,000;
  - TZS 10,000 for deeds with a capital value exceeding TZS 1,000,000.
- To increase the stamp duty on cheques from TZS 100 to TZS 500.
- To increase the stamp duty on Surrender of Lease documents from TZS 1,000 to TZS 2,000.
- To impose a stamp duty of TZS 5,000 on bills of exchange of property.
- To introduce an ad valorem stamp duty rate of 0.5 % on transfer documents for agricultural land, replacing the current specific rate of TZS 500. This approach will ensure that the stamp duty to be paid is reflected from the value of the land/size of the land.

*These measures aim to broaden the tax base, enhance revenue collection, and align stamp duty provisions.*

# CONTACT US

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