



TANZANIA REVENUE AUTHORITY

ISO 9001: 2008 CERTIFIED

CUSTOMS AND EXCISE DEPARTMENT

PUBLIC NOTICE

2010/2011 BUDGETARY CHANGES

1.0 INTRODUCTION

The Minister for Finance and Economic Affairs has announced the following budgetary changes relevant to the Customs and Excise Department. Unless otherwise specified, the implementation takes effect from 1st July 2010. The public is hereby enjoined to observe and implement them accordingly.

2.0 THE EXCISE (MANAGEMENT AND TARIFF) ACT, CAP 147

2.1 The Excise Duty Tariff rates have been amended as follows:

Heading	H.S. Code No.	Description	Unit	Old Excise Rates	New Excise Rates
22.02		Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices of heading 20.09			
	2202.10.00	- Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured	L	Tshs. 58 per litre	Tshs. 63 per litre
	2202.90.00	-Other	L	Tsh 58.00 per litre	Tshs. 63 per litre
22.03		Beer made from malt	L		
	2203.00.10	--- Stout and porter		Tshs. 354 per litre	Tshs. 382 per litre
	2203.00.90	--- Other	L	Tshs. 354.00 per litre	Tshs. 382 per litre
22.04		Wine of fresh grapes, including fortified wines; grape must other than that of heading 20.09.	L		
		- Sparkling wine			

	2204.10.90	--other		Tshs. 1132.00 per litre	Tshs. 1223 per litre
		- Other wine; grape must with fermentation prevented or arrested by the addition of alcohol:	L	Tshs. 1132.00 per litre	Tshs. 1223 per litre
		-- In containers holding 2 l or less			
	2204.21.90	--- Other	L	Tshs. 1132.00 per litre	Tshs. 1223 per litre
	2204.29.90	--- Other		Tshs. 1132.00 per litre	Tshs. 1223 per litre
		- Other grape must			
	2204.30.90	--other		Tshs. 1132.00 per litre	Tshs. 1223 per litre
22.05		Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances.	L		
		- In containers holding 2 l or less			
	2205.10.90	--- Other		Tshs. 1132.00 per litre	Tshs. 1223 per litre
	2205.90.90	--- Other	L	Tshs. 1132.00 per litre	Tshs. 1223 per litre
22.06		Other fermented beverages (for example, cider, perry, mead); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included.			
	2206.00.30	----Beer made from 100% local unmalted cereals	L	Tshs. 209.00 per litre	Tshs. 226 per litre
22.08		Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages.	l		
	2208.20.00	- Spirits obtained by distilling grape wine or grape marc	L	Tshs. 1678 per litre	Tshs. 1812 per litre
	2208.30.00	- Whiskies	l	Tshs. 1678 per litre	Tshs. 1812 per litre
	2208.40.00	- Rum and other spirits obtained by distilling fermented sugar-cane products	l	Tshs. 1678 per litre	Tshs. 1812 per litre
	2208.50.00	- Gin and Geneva	l	Tshs. 1678 per litre	Tshs. 1812 per litre
	2208.60.00	- Vodka	l	Tshs. 1678 per litre	Tshs. 1812per litre
	2208.70.00	- Liqueurs and cordials	l	Tshs. 1678per litre	Tshs. 1812per litre
		- Other:	l		
	2208.90.10	--- Distilled Spirits (e.g., Konyagi, Uganda Waragi)		Tshs. 1678 per litre	Tshs. 1812 per litre
	2208.90.90	--- Other	l	Tshs. 1678 per litre	Tshs. 1812 per litre
24.02		Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.	l		
		- Cigarettes containing tobacco:			
	2402.20.10	---without filter tip and containing	mil	Tshs. 5749.00 per	Tshs. 6209 per mil

		domestic tobacco exceeding 75%		mil	
		---with filter tip and containing domestic tobacco exceeding 75%	mil.	Tshs. 13, 564 per litre	Tshs. 14,649 per mil
	2402.20.90	--- Other	mil.	Tshs. 24,633 per mil	Tshs. 26,604 per mil
24.03		Other manufactured tobacco and manufactured tobacco substitutes; "homogenised" or "reconstituted" tobacco; tobacco extracts and essences.	mil.		
		-- Smoking tobacco, whether or not containing tobacco substitutes in any proportion			
	2403.10.10	---cut rag/filler		Tshs. 12, 444.00 per kg	Tshs. 13,436 per mil
27.10		Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparation; waste oils.			
	2710.19.41	---- Residual fuels(marine, furnace and similar fuel oils) of a Kinematic viscosity of 125 centistrokes	l	Tshs. 97 per litre	Tshs. 80 per litre
		---- Residual fuels(marine, furnace and similar fuel oils) of a Kinematic viscosity of 180 centistrokes	l	Tshs. 97 per litre	Tshs. 80 per litre
		---- Residual fuels(marine, furnace and similar fuel oils) of a Kinematic viscosity of 280 centistrokes	l	Tshs. 97 per litre	Tshs. 80 per litre

2.2 Exemption of Excise Duty on Petroleum products to Mining companies which was abolished in the financial year 2009/2010 has been reinstated. Government Notice to reflect this change will be issued in due course. However this exemption will cover only Mining Companies having Mining Development Agreement (MDA) with the Government of United Republic before July 1, 2009.

2.3 Exemption of Excise Duty on Motor Vehicles granted to Civil Servants and Non Governmental Organizations (NGOs) will not cover Motor Vehicles aged ten years or more from the year of manufacture. However this measure will not affect Motor Vehicles imported by Religious Organizations

3.0 THE VALUE ADDED TAX, CAP 148

3.1 The practice of classifying goods intended for use by Investors as Capital Goods (deemed capital goods) for the purpose of providing tax relief which was abolished in the financial year 2009/2010 has been reinstated.

3.2 The Second Schedule to the VAT Act is amended to exempt VAT on the following items when imported by milk processors;

S/n	Item description	Hs Code
1	Mowers	8433.20.00
2	Hay making Machine	8433.30.00
3	Cans	7310.29.90
4	Pumps	8413.81.00
5	Hoses	4009.00.00
6	Compressors used in refrigerating equipments	8414.30.00
7	Milk storage tanks	7309.00.00
8	Milk Tanker trailers fitted with cooling devise	8716.31.90
9	Milk pasteurizers	8434.90.00
10	Butter churns	8434.90.00
11	Storage chillers	8434.20.00
11	Cheese pressers	8434.20.00

3.3 Exempt VAT on the importation or supply of packaging materials for fruit juices and diary products (There should be identification mark e.g. logo or name of juice or milk to be packaged). Plain packaging materials will not be allowed to avoid abuse of this facility

3.4 **The Third Schedule has been amended as follows:**

3.4.1 Exempt VAT on importation by or supply to a registered licensed Exploration or Prospecting, Mineral Assaying, Drilling or Drilling Company having Mining Development Agreement with the Government which provide for relief from Taxation of goods or services for exclusive use in the exploration, prospecting, drilling or mining activities executed before 1st July, 2009

3.4.2 Exempt VAT on importation by or supply to a registered licensed exploration or prospecting company, of goods which if imported or supplied would be eligible for relief from duty under the Customs laws for exclusive use in the exploration or prospecting of Petroleum or Gas.

3.4.3 Provide special relief to Developers licensed under the Export Processing Zones Act, on importation of building materials.

3.4.4 Provide special relief on importation or supply of green houses by horticulture growers.

3.4.5 Provide special relief to organized farming on importation or supply of goods for the purpose of building irrigation canals, road networks and Godowns and similar storages in the farms subject to approval by the Minister responsible for Agriculture.

4.0 AMMENDMENT OF THE EAST AFRICAN COMMUNITY COMMON EXTERNAL TARIFF

The Ministers responsible for Finance of the East African Community Partner States have made the following amendments to the Common External Tariff. The amendments will be endorsed by the Sectoral Council on Trade, Finance and Investment:

4.1 Changes in Import Duty Rates:

Heading No.	HS Code	Description	Old Rate	New Rate
10.01	1001.90.20	--- Hard wheat	35%	10%
10.01	1001.90.90	-- Other	35%	10%
11.07	1107.10.00	Malt, whether or not roasted - Not roasted	10%	0%
25.23	2523.29.00	- Portland Cement -- other	SI	25%
27.13	2713.11.00	Petroleum Coke - not Calcined	10%	0%
32.11	3211.00.00	Prepared driers	10%	0%
32.12	3212.10.00	- Stamping foils	10%	0%
	3212.90.10	- Other --- pigments dispersed in non aqueous media, in liquid or paste form	10%	0%
63.09	6309.00.00	Worn clothing and other worn articles	45% or 0.30 USD/Kg	35% or 0.20 USD/Kg
72.10		Flat - rolled products, of iron or non – alloy steel of a width of 600 mm or more, clad, plated or coated		
	7210.11.00	- plated or coated with tin -- of a thickness of 0.5 mm or more	25%	0%
72.12		Flat - rolled products, of iron or non – alloy steel of a width of less than 600 mm, clad, plated or coated		
	7212.10.00	- plated or coated with tin	10%	0%
73.21	73.21.11.00	- cooking appliances and plates warmers -- for gas fuel or for both	25%	10%

		gas and other fuels		
74.13		Stranded wire, cables, plaited bands and the like of copper not electrically insulated		
	7413.00.90	--- other	10%	25%
76.14		Stranded wire, cables, plaited bands and the like of aluminum not electrically insulated	10%	25%
	7614.10.00	- with steel core	10%	25%
	7614.90.00	- other	10%	25%
87.01		Tractors		
		- Road tractors for semi - trailers		
	8701.20.90	--- other	10%	0%
87.04	8704.22.90	--- other	25%	10%
	8704.23.90	--- other	25%	0%

N.B (1) Buses to be imported for DART (mradi wa mabasi yaendayo kasi Dar es Salaam) project will attract a duty rate at 10% (HSC 8702.10.99 and 8702.90.99)

(2) Import Duty on Worn Clothing has been reduced from 45% or USD 30 cents per kilogram to 35% or USD 20 per kilogram

(3) The rates for malt, Buses under DART, worn clothing, will apply for one year up to 30th June, 2011

4.2 Amendment of the Fifth Schedule to the East African Community Customs Management Act, 2004, (No. 8 of the Laws of the Community)

The following items have been exempted the exemption regime

- 4.2.1 Exemption of import duty on Examination Gloves
- 4.2.2 Limit exemption of Import Duty granted on importation of motor vehicles by returning residents to only four years before the beneficiary can enjoy another exemption.
- 4.2.3 Exempt import Duty on Lamps/Bulbs made using LED technology.
- 4.2.4 Extend the exemption regime granted to Armed Forces Canteen (AFCO) for one year
- 4.2.5 Exempt Import Duty on Parent Stocks (Kuku Wazazi)

4.3 Duty Remission

- 4.3.1 Grant Duty remission on raw materials for use by paper and paper board mills (Kenya and Tanzania to submit to the EAC Secretariat a list of Manufacturers and quantities of the required raw materials)
- 4.3.2 Grant Duty remission to Motor Vehicle Assemblers
- 4.3.3 Grant Duty remission on Looped pile fabric of man-made fibres falling under Hs Code 6001.22.00
- 4.3.4 Grant Duty remission on textile coated with gum of a kind used for the outer covers of books falling under Hs Code 5901.10.00
- 4.3.5 Grant Duty Remission to the specific inputs which attract duty and are used in production of duty free finished products (Ministry of Industry, Trade and Marketing will submit a list of these inputs to the EAC Secretariat).

N.B. EAC Legal Notice in respect to these changes will be issued in due course.

5.0 EXPORT LEVY

Export levy on raw cashew nuts is now 15% on FOB value instead of 10%

6.0 AGED MOTOR VEHICLES

Restrict exemption on motor vehicles aged ten years or more from the year of manufacture to Civil Servant, Returning Residents, Non Governmental Organizations and Investors Registered under Tanzania Investment Centre.

7.0 CONCLUSION

This Notice is intended to highlight the Minister for Finance's speech and serves as a guide in the implementation of measures announced through the Finance Bill, 2010. Further clarification and any other amendments will be communicated to the public as soon as it is necessary.

'Together we Build our Nation'

Walid Juma
COMMISSIONER FOR CUSTOMS AND EXCISE