THE UNITED REPUBLIC OF TANZANIA

SPECIAL SUPPLEMENT

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30th June, 2018

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THE TAX ADMINISTRATION ACT
(CAP.438)

ORDER

(Made under section 70(2))

THE TAX ADMINISTRATION (REMISSION OF INTEREST
AND PENALTY) ORDER, 2018

Citation

1. This order may be cited as The Tax Administration
   (Remission of Interest and Penalty) Order, 2018.

Duration

2. This Order shall come into effect on 1st July, 2018
   and expire on 31st December, 2018.

Application

3. This Order shall apply to taxes, levies and duties
   arising out of tax laws administered by the Tanzania Revenue
   Authority.

Interpretation

4. In this Order, unless the context otherwise requires:
   "Act" means The Tax Administration Act;
   "assessment" has the meaning ascribed to it under the Act;
   "Commissioner General" means the Commissioner-General
   appointed under the Tanzania Revenue Authority Act;
   "eligible tax" means taxes, levies or duties emanating from a
   tax law administered by Tanzania Revenue Authority
   except:--

1
(a) East African Community Customs Management Act, 2004;

(b) taxes, levies, duties or fees collected on behalf of local government authorities, other institutions or agencies arising out of non-tax laws administered by the Tanzania Revenue Authority;

“eligible person” means a person who has:--

(a) filed a tax return in respect of an eligible tax but has not paid the whole or part of the tax due;
(b) not filed a return in respect of an eligible tax and has not paid the whole or part of the eligible tax;
(c) not applied for taxpayer identification number or any required registration;
(d) filed an objection to the Commissioner General; or
(e) a pending case in the Tax Revenue Appeals Board, Tax Revenue Appeals Tribunal or Court of Appeal of Tanzania.

“tax” has the meaning ascribed to it under the Act or any other tax law;
“interest” has the meaning ascribed to it under the Act or a respective tax law;
“penalty” has the meaning ascribed to it under the Act or a respective tax law;

Provided that any other term used in this Order shall have the meaning ascribed to it under the Tax Administration Act, 2015.

5. The Commissioner General may remit the whole of interest or penalty in respect of eligible tax payable by an eligible person where the eligible person or his duly authorised representative has in his application:--

(a) voluntarily disclosed or affirmed his tax liability;
(b) agreed in writing within the validity period of this Order to pay the principal tax within the financial year 2018/19; and
(c) agreed to finally conclude his tax liability without any further grievance or dispute.
6.-(1) The Commissioner General may require a person who has voluntarily disclosed unpaid eligible tax to file a return or returns in respect of disclosed taxes.
   
   (2) The Commissioner General may assess the tax liability of the eligible person in such manner as the Commissioner General may deem reasonable in accordance with the available information.

7. This Order shall only apply to eligible taxes payable by an eligible person.

8. This Order shall not apply to a person:-
   
   (a) who may otherwise be an eligible person but who has already paid the eligible tax;
   
   (b) whose tax affairs are being audited or investigated by the Commissioner General in respect of an eligible tax for the period under audit or investigation;
   
   (c) who has been convicted of fraud by a court in respect of an eligible tax;
   
   (d) who has been convicted of a transnational organized crime, including money laundering, human trafficking, poaching, economic sabotage, corruption, drug trafficking or involvement in terrorism;
   
   (e) whose assessment is a result of an EFD or other offence which has been compounded; or
   
   (f) whose assessment emanates from an offence involving willful or fraudulent omission or commission under a tax law.

9.-(1) Any eligible person who has a tax liability in respect of an eligible tax may lodge an application in a prescribed form to the Commissioner General stating:-
   
   (a) the amount of principal tax payable; and
   
   (b) the amount of interest or penalty to be remitted.
   
   (2) Subject to paragraph(1), the eligible person who applies for remission under this Order shall provide further information as specified in the prescribed form.
   
   (3) Notwithstanding paragraphs (1) and (2), an application lodged under this paragraph shall be submitted on or before 30th November, 2018.
(4) The prescribed form referred under paragraph (1) is form number ITX207.01.E as provided in the schedule to this Order.

10.- (1) The Commissioner General may only determine an application filed to him within the tenure of this Order.

(2) The Commissioner General may determine an application received by him within thirty days from the date of receipt.

11.- (1) Where the Commissioner General agrees with the application done by an eligible person, the Commissioner General and the eligible person shall sign a settlement agreement for payment of the principal amount of the eligible tax.

(2) The settlement agreement referred in paragraph (1) shall include the following:-

(a) material facts of the default on which the remission application is based;

(b) the total amount payable by the eligible person prior to the grant of the remission under this Order separately indicating principal tax, interest and penalties;

(c) payment arrangements and due dates; and

(d) the commitment of the Commissioner General and the eligible person to comply with the conditions of the settlement agreement.

(3) The commitment referred to in paragraph (2) shall include finality and conclusiveness of the tax liability or assessment.

(4) Once a settlement agreement under this paragraph has been finally executed by both parties, it shall be conclusive evidence that the tax liability or assessment referred to therein has been finally and conclusively settled in terms of section 15 of The Tax Revenue Appeals Act.

12. Where an eligible person, who has been granted with a remission under this Order, fails to implement any of the terms of the settlement agreement, the Commissioner General shall rescind the settlement agreement and proceed to demand the eligible tax as if no remission was granted.
13. Where a settlement agreement has been entered on influence of false or fraudulent representation, it shall remain to be void and may be rescinded by the Commissioner General.

14. An eligible person or any person who uses false or fraudulent acts or omissions, commits an offence under the Act and upon conviction shall be liable to a relevant penalty as provided under the relevant provisions of the Act relating to violation of the provisions of the Act or commission of false or fraudulent misrepresentations as the case may be.
SCHEDULE

(Made under paragraph 5 and 9(4)

ITX207.01.E Application for Remission of Interest and Penalties

TANZANIA REVENUE AUTHORITY

TO: COMMISSIONER GENERAL
PO BOX ..................
DAR ES SALAAM

APPLICATION FOR REMISSION OF INTEREST/PENALTY
Full name of business

<table>
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<th>TIN</th>
<th>VRN</th>
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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:

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<tr>
<th>Eligible Tax Type</th>
<th>Period</th>
<th>Principal</th>
<th>Interest</th>
<th>Penalty</th>
<th>Total Liability</th>
<th>Debit Number</th>
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[DECLARATION]
I hereby declare that the information given on this form and any accompanying documents are correct, complete and contain a full and true statement of tax liabilities to the best of my knowledge and belief.
I ........................................ am aware that interest/penalty remission applied above is subject to full payment of outstanding principal tax liability amounting to Tshs ........................................ before the date of expiration of the Order or in a manner to be agreed by your Office by an agreement in writing.
Tax Administration (Remission of Interest and Penalty)

GN. No. 282A (cond.)

Title:  Mr  □  Mrs  □  Ms  □

First Name  □  Middle Name  □  Surname  □

Position  □

Signature  □  Date  □  □  □

To be submitted in triplicate

FOR OFFICIAL USE ONLY

Remarks by the Officer:

........................................................................................................................................
........................................................................................................................................

........................................................................................................................................

Full Name  □  Signature  □  Date  □

Remarks by the Manager:

........................................................................................................................................
........................................................................................................................................

........................................................................................................................................

Full Name  □  Signature  □  Date  □

DECISION BY COMMISSIONER GENERAL

I, .................................................. Commissioner General, approve/do not approve the application and
direct that, Tshs ........................................being the principal amount of the eligible tax be paid
by the applicant by ........................................being interest/penalty is here by remitted.

Signature ........................................

Date: ........................................

Dodoma,
30th June, 2018  PHILIP I. MPANGO,
Minister for Finance and Planning