TANZANIAN GOVERNMENT BUDGET FOR 2017/2018 FISCAL YEAR

KEY HIGHLIGHTS

'Industrial Growth for Job Creation'

1. OBJECTIVES OF THE 2017/2018 BUDGET

- To address challenges facing Tanzanians so as to bring new hope for better life to our people, especially to low income earners; *and*

- To transform the economy into real middle income status through sustaining macroeconomic stability and developing industries that will foster job creation particularly for the youths, and enhancing agricultural productivity in order to increase income for the majority who depend on this sector.

"The main emphasis of the 2017/18 Budget is to implement aspirations of the fifth phase Government in resolving challenges facing citizens. Moreover, the Government is determined to develop industries which are the basis for a sustainable economy towards attaining middle income status by 2025 hence improving the living standards of the majority"

"The Government budget for 2017/18 aims at improving the basic infrastructure for the provision of water, power and transportation for industrial development, as well as raising production of agricultural produce which are used as industrial raw materials. Efforts will be directed at reducing tax evasion and plugging loop holes for tax avoidance, to create new sources of revenue, and insist the use of Electronic Fiscal Devices (EFDs) in order to increase revenue collection and in the same spirit to control unnecessary expenditure. The Budget also focuses on creating conducive environment for business and investment so as to attract domestic and foreign investors in industrial and agricultural development"

2. ACHIEVEMENTS AND SHORTFALLS IN 2016/2017 GOVERNMENT BUDGET

REVENUE

- The Government aimed at raising TZS 29.53 trillion [from domestic and foreign sources]

- Out of TZS 29.53 trillion, TZS 18.46 trillion [62.3%] were estimates for domestic revenue collections

- Budget policies aimed at minimizing unproductive tax exemptions; increasing the use of electronic systems in revenue collection and widening tax base

- Bird's eye view of 2016/2017 domestic revenue collections achievements:

	Budgeted	**Actual**	**Achievement Rate**
Tax Revenue	TZS 15.1 trillion	TZS 11.64 trillion	77.1%
Non Tax Revenue	TZS 2.69 trillion	1.6 trillion	59.8%
LGSs own source	TZS 0.66 trillion	0.39 trillion	60%
Loans from domestic sources	TZS 5.37 trillion	4.71 trillion	87.7%
Grants and external concessional loans	TZS 3.6 trillion	2.3 trillion	65%
TOTALS	**TZS 27.42 trillion**	**TZS 20.64 trillion**	**75.27%**

"The good performance of tax and non-tax revenue was championed by the leadership of the fifth phase Government in revenue collection and minimizing losses from tax, levies and various fees"

- The Government also planned to borrow TZS 2.1 trillion from non-concessional sources to finance development projects but could not be raised due to constraints in the international financial market. However the government is in the final stage of negotiations with lenders and USD 500 million is expected by June, 2017.

EXPENDITURE

- During the period ended April 2017, the government released TZS 20.03 trillion to Ministries, Independent departments, Regional secretariats and Local Government Authorities.

- Out of this ,TZS 15.48 trillion was for recurrent expenditure equivalent to 87.4% of the annual target and while TZS 4.55 trillion was for development expenditure ,equivalent to 38.5% of the annual target of TZS 11.8 trillion.

Some of the areas accorded priority in the release of development funds during the period under review include:

- Construction and maintenance of regional and district roads (under the Road Fund) shillings 675.9 billion;

- Roads construction projects including payment of contractors and consultants shillings 540.3 billion;

- Power generation projects, improving transmission lines and rural electrification shillings 421.5 billion;

- Higher education students loans shillings 393.2 billion;

- Advance payment of shillings 300 billion for the first phase construction of standard gauge railway line from Dar es Salaam ï Morogoro (Km 205);

- Acquisition of two aircrafts and advance payment for four other aircrafts amounting to shillings 234.9 billion;

- Improvement of water supply in rural and urban areas shillings 186.4 billion; and

- Improving health services delivery at all levels shillings 170.6 billion, which includes procurement of medicines, medical equipment and reagents shillings 156.1 billion

Funds released for recurrent expenditure include shillings 5,320.3 billion for wages and salaries, representing 80.6 percent of the annual estimate; shillings 7,775.5 billion for 30 public debt, equivalent to 97.2 percent of the annual estimate; and shillings 2,385.1 billion for Other Charges (OC), equivalent to 76.5 percent of the estimate.

"Notwithstanding the aforementioned achievements, several challenges are still prevalent and these include; tax evasion involving collusion between businessmen and unethical tax collectors; low awareness of the new Value Added Tax Act of 2014; low compliance by businessmen in the use of EFDs coupled with citizens' culture of not demanding EFD receipts upon purchase of goods or services; complex environment in collecting tax from the informal sector; ghost workers and illegitimate students accessing higher education loans; and mismatch between revenue and expenditure arising from

increased demand for improvement of infrastructure such as water, railway, ports, airport and roads"

PUBLIC DEBT

- The national debt stock as at end March 2017 was shillings 50,806.5 billion, of which public debt amounted to shillings 42,883.6 billion and the private debt was shillings 7,922.9 billion
- Public debt increased by 9.2 34 percent from shillings 39,274.6 billion in March, 2016 to shillings 42,883.6 billion in March 2017.
- The increase in public debt is attributed to disbursement of new borrowing and previously committed loans from concessional and non-concessional sources increase in interest arrears from Non Paris Club bilateral creditors and depreciation of the shilling against the US dollar.
- The loans were used to finance development projects such as roads construction, railways, energy, transport, education and water.

"The Debt Sustainability Analysis (DSA) conducted in November, 2016 revealed that the public debt is sustainable in the short, medium and long term"

3. MACRO-ECONOMIC PROJECTIONS AND POLICY TARGETS FOR 2017/2018 BUDGET

1. Real Gross Domestic Product [GDP] is projected to grow by 7.1 percent in 2017 from real growth of 7.0 percent in 2016;
2. Continue to contain inflation at single digit in the range of 5.0 ï 8.0 percent in 2017;
3. Domestic revenue including LGAõs own sources is projected at 16.5 percent in 2017/18 up from the likely outturn of 15.8 percent in 2016/17;
4. Tax revenue is estimated at 14.2 percent of GDP in 2017/18 up from the estimate of 13.3 percent in 2016/7;
5. Total expenditures are projected at 26.2 of GDP percent in 2017/18 from the estimate of 23.7 percent in 2016/17;
6. Narrow the budget deficit to 3.8 percent of GDP in 2017/18 from 4.5 percent in 2016/17;
7. The ratio of current account deficit to GDP is projected at 7.0 percent: and
8. Maintain gross official reserves sufficient to cover at least 4.0 months of projected import of goods and services (excluding FDI)

GDP = Gross Domestic Product = *the total value of goods produced and services provided in a country during one year.

The above targets will be achieved under the following key assumptions:

1. Continued peace, security, stability and tranquility in the country, regionally and globally;
2. Stability of oil prices in the world market;
3. Favorable weather conditions in the country and the region;

4. Sustaining macroeconomic stability and social economic gains including GDP growth, external trade, money supply, domestic revenue, expenditure and social services;

5. Pursuing prudent monetary and fiscal policies to ease inflation and reduce interest rate spread;

6. Stability in the global economy; and

7. Enhanced private sector participation in the economy particularly in industrial investment.

4. REVENUE COLLECTION POLICY FOR 2017/2018 FISCAL YEAR

The fifth phase Government is determined to increase and strengthen domestic revenue collection through several measures. In 2017/18 Government revenues are projected to increase and therefore reduce budgetary dependency. In achieving this, the revenue policies for 2017/18 will focus on the following areas:

1. Continue emphasizing effective use of electronic devices and systems in revenue collection to contain revenue leakages;

2. Continue to widen the tax base including formalization of the informal sector to capture it into the tax net;

3. Improve collection and strengthen management of non-tax revenue;

4. Continue with mass valuation of properties to increase property tax revenue;

5. Formalizing land ownership with a view of increasing revenue; and

6. Continue with control measures to minimize abuse of tax exemptions.

5. EXPENDITURE POLICY FOR 2017/2018 FISCAL YEAR

The Government will prudently manage the use of public funds in line with existing legislations and other directives.

The aim is to control expenditure, leakages and misappropriation of public funds with a view to direct savings to development projects.

In addressing these issues, the Government will take the following actions:

1. No expenditure will be effected unless it is budgeted for in the respective Vote;

2. No goods and services for the Government shall be supplied without provision of system generated Local Purchase Order (LPO);

3. Government commitments will strictly be subjected to funds availability and awarding of contracts shall be supported by warrants to spend; and

4. Borrowing by any Government institutions shall seek prior approval from the Minister for Finance and Planning as stipulated in the Government Loans Guarantees and Grants Act, 1974 as amended.

6. PRIORITY AREAS:

- Interventions for fostering economic growth and industrialization;
- Interventions for fostering human development;
- Interventions to create a conducive environment for enterprises and businesses to thrive; and

- Interventions to strengthen implementation effectiveness.

"The Plan emphasizes successful implementation of Flagship Projects, which include: construction of new standard gauge railway line; revamping the national air carrier; mining of coal and iron ore and construction of iron and steel complex in Mchuchuma and Liganga – Njombe; establishment of Special Economic Zones; construction of a Liquefied Natural Gas (LNG) Plant; establishment of Kurasini Trade and Logistics Centre; development of Mkulazi Agricultural Farm and Sugar Factory; and mass training for development of specialized skills for industrialization and human development and fostering science, technology and innovations"

7. REFORMS OF THE TAX STRUCTURE

The proposed measures are addressed through the following laws:

i. The Value Added Tax Act, CAP 148;

ii. The Income Tax Act, CAP. 332;

iii. The Excise (Management and Tariff) Act, CAP 147;

iv. The Road Traffic Act, CAP 168;

v. The Local Government Finance Act, CAP 290;

vi. The East African Community Customs Management Act, 2004;

vii. Minor amendments in tax laws and other laws; and

viii. Amendment of various fees and levies imposed by Ministries, Regions and Independent Departments.

(A) THE VALUE ADDED TAX, CAP 148

The government proposed to make amendments in the Value Added Tax Act, CAP 148 as follows:-

- To exempt VAT on capital goods in order to reduce procurement and importation costs on machines and plants used in production. The exemption will apply to edible oil, textile, leather and pharmaceutical (including veterinary) industries. The specific machines and plants that are to be exempted from VAT will be identified under their respective HS Codes.
- To zero rate VAT on ancillary transport services in relation to goods in transit when they are in the United Republic of Tanzania.
- To exempt VAT on locally produced compounded animal feeds under HS Code 2309.
- To amend item 3(13) in the first part of the exemption schedule to the VAT Act to include fertilized eggs for incubation.

(B) THE EXCISE DUTY [MANAGEMENT AND TARIFF] ACT, CAP 147

The government proposed to make amendments in the Excise (Management and Tariff) Act, CAP 147 as follows:-

- To adjust for inflation rate of 5 percent the specific excise duty rates on non-petroleum products.

The adjustment is done because when the excise duty is imposed by using specific rates, it doesnt consider inflation and therefore erodes Government revenue. The best approach is to adjust the specific duty rates in order to keep pace with inflation rate. This is different from the case where the Excise Duty is imposed by using advalorem rates because the values take account of inflation.

According to the Excise Tax (Management and Tariff) Act, CAP 147 Section 124(2), the specific excise duty rates may be annually adjusted in accordance with the projected inflation rate and other key macroeconomic indicators. However, in order to support the National Strategy for building an industrial economy, the Excise Duty for some locally produced products will not be adjusted. The adjustment of specific excise duty rates are as follows:-

a) Excise Duty on soft drinks from shillings 58 to shillings 61 per litre which is an increase of shillings 3 per litre;

b) Excise Duty on imported water including mineral waters containing added sugar or other matter of flavour from shillings 58 to shillings 61 per litre, which is an increase of shillings 3 per litre.

c) The Excise Duty on locally produced water remains at shillings 58 per litre;

d) Excise Duty on locally produced fruit juices from shillings 9.5 per litre to shillings 9.0 per litre;

e) Excise Duty on imported fruit juices from shillings 210 to shillings 221 per litre which is an increase of shillings 11 per litre;

f) Excise Duty on beers made from local unmalted cereals from shillings 429 to shillings 450 per litre which is an increase of shillings 21 per litre;

g) Excise Duty on other beers from shillings 729 to shillings 765 per litre which is an increase of shillings 36 per litre;

h) Excise Duty on non-alcoholic beers (including energy drinks and nonalcoholic beverages), from shillings 53 534 to shillings 561 per litre which is an increase of shillings 27 per litre;

i) Excise Duty on wine produced with domestic grapes with content exceeding 75 percent from shillings 202 per litre to shillings 200 per litre;

j) Excise Duty on wine produced with more than 25 percent imported grapes from shillings 2,236 to shillings 2,349 per litre which is an increase of shillings 113 per litre;

k) Excise Duty on imported spirits from shillings 3,315 to shillings 3,481 per litre which is an increase of shillings 166 per litre. The Excise Duty on locally produced spirits remains at shillings 3,315 per litre;

l) Excise Duty on cigarettes without filter tip and containing domestic tobacco more than 75 percent, from shillings 11,854 to shillings 12,447 per thousand cigarettes, which is an increase of shillings 593 per thousand cigarettes;

m) Excise Duty on cigarettes with filter tip and containing domestic tobacco more than 75 percent, from shillings 28,024 to shillings 29,425 per thousand cigarettes, which is an increase of shillings 1,401 per 54 thousand cigarettes;

n) Excise Duty on other cigarettes not mentioned in (m) and (l) from shillings 50,700 to shillings 53,235 per thousand cigarettes, which is an increase of shillings 2,535 per thousand cigarettes;

o) Excise Duty on cut rag or cut filler from shillings 25,608 to shillings 26,888 per kilogram which is an increase of shillings 1,280 per kilogram;

p) Excise Duty on cigar remains at 30 percent.

- To abolish Annual Motor Vehicle Licence Fee and increase Excise Duty on Petrol (Motor Spirit and Premium), Diesel (Gas Oil) and Kerosene (IK) by shillings 40 per litre from shillings 339 to shillings 379 per litre of petrol, from shillings 215 to shillings 255 per litre of Diesel and from shillings 425 to shillings 465 per litre of Kerosene.

(C) THE INCOME TAX ACT, CAP 332

The government proposed to make amendments in the Income Tax Act, CAP 332 as follows:-

i. To amend part four of the First Schedule to the Income Tax Act, CAP 332 to align the number of years provided for under Section Four of the Income Tax Act, 2004 with the provision of the First Schedule of the Income Tax Act, 2004. The imposition section provide for three consecutive years for a person with perpetual unrelieved loss to pay Altenative Minimum Tax while the First Schedule provide for five consecutive years.

ii. To amend the Third Schedule of the Income Tax Act, CAP 332 to increase the qualifying amount of non-commercial motor vehicles from shillings 15 million to shillings 30 million. This measure takes into account that the current amount of shillings 15 million is outdated when considering the market value of such vehicles at the moment. 50

iii. To amend the Income Tax Act, CAP 332 in order to reduce the Corporate Income Tax for new assemblers of vehicles, tractors and fishing boats from 30 percent to 10 percent for the first five years from commencement of operations. This measure is intended to increase employment, Government revenue and facilitate technology transfer. Either, the Government will sign a Performance Agreement with the assemblers to reflect the responsibilities of both parties.

iv. To introduce Withholding Tax (final Withholding Tax) of 5 percent of the total market value of minerals to all small miners. The objective of this measure is to ensure optimal collection of Government revenue from the mineral sector

(D) The LOCAL GOVERNMENT FINANCE ACT, CAP 290

The government proposed to amend the Local Government Finance Act, CAP 290 in order to reduce Produce Cess charged by the Local Government Authorities from 5 percent to 3 percent for cash crops and from 5 percent to 2 percent for food crops. Furthermore, Produce Cess should not be applied on the transportation of crops of less than one ton from one Local Government Authority to another.

(E) THE EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT, 2004

Ministers responsible for Finance from the EAC Partner States held their meeting ―PreBudget Consultations‖ in Arusha, Tanzania on 6th May, 2017. During the meeting, they agreed to undertake the comprehensive review of Common External Tariff as a requirement under the Custom Union Protocol. Furthermore they agreed to effect changes in the Common External Tariff (CET) and make amendments to the East African Community- Custom Management Act (EAC-CMA), 2004 for the financial year 2017/2018. The changes in Common External Tariff (CET) which were recommended and agreed are as follows:-

a) Grant duty remission on wheat grain falling under HS Code 1001.99.10 and 1001.99.90 and apply duty rate of 10 percent instead of 35 percent for one year.

b) Grant Duty Remission on Linear Alkyl Benzen Sulphuric Acid (LABSA) falling under HS Codes 3402.11.00; 3402.12.00 and 3402.19.00 at duty rate of 0 percent instead of 10 percent for one year.

c) Continue to grant duty remission on CKD kits for motorcycles at a duty rate of 10 percent instead of 25 percent for one year.

d) To extend stay of application of the EAC CET rate on Crude Palm Oil falling under HS Code 1511.10.00 and apply 10 percent instead of 0 percent for one year.

e) Grant stay of application of EAC CET rate and instead apply a duty rate of 25 percent or USD 250 per metric ton whichever is higher on Flat-rolled products of iron or non-alloy steel falling under HS Codes 7210.41.00; 7210.49.00; 7210.61.00; 7210.69.00; 7210.70.00; 7210.90.00; 7212.30.00; 7212.40.00; 7212.50.00; 7212.60.00 for one year.

f) Continue stay of application of EAC CET rate and instead apply a duty rate of 25 percent or USD 200 per metric ton whichever is higher on Steel Rods and Bars and Hot-rolled Angles, Sections, falling under HS Codes 7213.10.00, 7213.20.00, 7214.10.00, 7214.20.00, 7214.30.00; 7214.91.00, 7214.99.00, 60 7216.10.00, 7216.21.00, 7216.22.00 and 7216.50.00 for one year.

g) Grant duty remission on inputs falling under HS Code 7228.20.00 and apply duty rate of 0 percent instead of 25 percent or USD 200 per metric ton whichever is higher for manufacturers of leaf spring.

h) Grant stay of application of EAC CET rate and instead apply a duty rate of 61 10 percent or USD 125 per metric ton whichever is higher on Flat-rolled products of iron or non-alloy steel, with a width of 600 mm or more, cold rolled or cold reduced falling under HS Code 7209.15.00, 7209.16.00, 7209.17.00, 7209.18.00, 7209.25.00, 7209.26.00, 7209.27.00, 7209.28.00, 7209.90.00, for one year.

i) Grant stay of application of EAC CET rate on Gypsum Powder falling under HS Code 2520.20.00 and apply a duty rate of 10 percent instead of 0 percent for one year.

j) Grant stay of application on the reduction of remission level on sugar for industrial use under HS Code 1701.99.10 and apply duty rate of 10 percent.

k) Grant stay of application of EAC CET rates on Electronic Fiscal Devices (EFDs) Machines falling under HS Code 8470.50.90 and apply duty rate of 0 percent instead of 10 percent for one year.

l) To extend the stay of application of the EAC CET rate and apply a duty rate of 25 percent instead of 10 percent on paper products falling under HS Codes 4804.11.00; 804.19.90; 4804.21.00; 4804.29.00; 4804.31.00; 4804.39.00; 4804.41.00; 4804.51.00; 4804.59.00; 4805.11.00; 4805.12.00; 4805.19.00; 4805.24.00; 4805.25.00; 4805.30.00; 4805.91.00; and 4805.92.00 for one year.

m) Grant duty remission of on inputs for use in the assembly of equipments specifically designed for use by disabled persons at 0 percent.

n) Grant stay of application of EAC CET rate on aluminium structures of HS Codes 7610.90.00 and instead apply duty rate of 25 percent instead of 0 percent for one year.

o) To change a wording of tariff code 4911.99.20 to include examination answer sheets so that the import duty of 0 percent applies for both examinations question papers and examination answer sheets; and xvii. Grant duty remission on inputs for use in the assembly and construction of ships at 0 percent.

The Ministers responsible for Finance also agreed to make amendments in the EAC-Customs Management Act, 2004 as follows:-

- To amend Part B of the 5th Schedule of EAC CMA 2004 by deleting para 25 in order to remove import duty exemption on Compact Fluorescent Bulbs (CFL) and Light Emitting Bulbs (LED). These are finished products;

- To amend Section 203 of the EAC CMA by replacing the USD 10,000 fine with USD 20,000 or 50 percent of the dutiable value of the goods, whichever is higher. The intension is to put a deterrent measure on offences (such as false documents, false declarations, fraudulent evasion of payment of taxes, etc). Currently the maximum fine Customs can charge on such offences is only USD 10,000 which is not punitive enough to deter offenders;
- To amend Para 30 of the 5th Schedule to the EAC-CMA, 2004 to include distribution of Oil and Gas. This measure is intended to provide import duty exemption on projects of Heated Crude Oil Pipeline implemented by Partner States Governments;

- To amend Section 218 of EAC-CMA 2004 to give the powers of the restoration of seized items to Commissioner of Customs instead of EAC Council of Ministers;

(F) AMENDMENT OF VARIOUS FEES AND LEVIES IMPOSED BY MINISTRIES, REGIONS AND INDEPENDENT DEPARTMENTS

a) To abolish fees imposed on fertilizer (standards inspection, radiation inspection and weight and measures) by the Tanzania Bureau of Standards (TBS), Tanzania Atomic Energy Commission (TAEC) and Weight and Measures Authority (WMA).

b) To abolish standards inspection fee on cash crops such as cotton, tea, cashew nuts and coffee imposed by the Tanzania Bureau of Standards (TBS).

c) To abolish Service Levy imposed on guest houses which are subject to Guest House Levy

d) To abolish a Levy imposed on posters that direct people to the places where public services such as schools, and hospitals or dispensaries are available. Either, the Tanzania Revenue Authority will start collecting levy on posters intended for commercial purposes by 1st of July, 2017;

e) To abolish permit fees issued by Local Government Authorities on various activities for example permit fees charged on slaughtering places (not including slaughtering and meat inspecting fees), permit fee on transportation of livestock and on establishing pharmacies;

f) To abolish fees imposed on livestock when they are in the market for auction; and

g) To increase the amount of fine imposed on the people who fail to comply with the Local Government Finance Act from not more than shillings 50,000 and 12 months sentence up to between shillings 200,000 and shillings 1,000,000 or between 12 months and 2 years sentence.

(G) THE ROADS TRAFFIC ACT ,CAP 168

The government proposed to amend the Road Traffic Act, CAP 168 as follows:-

a) To abolish the Annual Motor Vehicle Licence Fees so that the fee is paid only once during first registration and thereafter be paid through Excise Duty to be imposed on Petrol (MSP), Diesel (Gas Oil) and Kerosene (IK) by increasing the Excise Duty on Petrol, Diesel and Kerosene by shillings 40 per litre as reflected in para 69(ii). Either, the Government will provide tax amnesty for unpaid fees.

The government also proposed to increase the Motor Vehicle Licence Fee on first registration as follows:-

a) Motor Vehicle with an engine capacity between 501 cc and 1500 cc from shillings 150,000 to shillings 200,000, which is an increase of shillings 50,000;

b) Motor Vehicle with an engine capacity between 1501c and 2500 cc from shillings 200,000 to shillings 250,000, which is an increase of shillings 50,000;

c) Motor Vehicle with an engine capacity above 2501 cc from shillings 250,000 to shillings 300,000, which is an increase of shillings 50,000;

(H) MINOR AMENDMENDS IN TAX LAWS AND OTHER LAWS

The government proposed to make minor amendments to various Tax Laws and other Laws so as to ensure their smooth and effective implementation. The proposed amendments will be made through the Finance Bill 2017 and Government Notices.

8. FACE OF THE 2016/2017 GOVERNMENT BUDGET

	TZS Million
Revenue 2017/2018	
A. Government Domestic Revenue	19,289,695
(i)Tax Revenue (TRA)	17,106,336
(ii) Non Tax Revenue	2,183,359
B. LGAs own source	687,306
C. External Loans and Grants	3,971,103
(i) General Budget support	941,258
(ii)Projects Loans and Grants	2,473,770
(iii)Basket Loans and Grants	556,075
D. Domestic & External Non Concessional Borrowing	7,763,882
(i)External Non Concessional Borrowing	1,594,985
(ii)Domestic Non Concessional Borrowing (1.5 of GDP)	1,220,668
(iii) Domestic Non Concessional Borrowing (Rollover)	4,948,229
TOTAL REVENUE (A+B+C+D)	31,711,986
Expenditure 2017/2018	
E. Recurrent Expenditure	19,712,394
o/w (i) National Debt Service	9,461,433
- Domestic Interest	1,025,546
- Domestic Amortization (Rollover)	4,948,229
- External Amortization	1,182,651
- External Interest	673,492
- Government Contribution to Pension Funds	1,195,882
- Other Expenditure under CFS	435,633
(ii) Wages and Salaries	7,205,768
(iii)Other Charges	3,045,193
- Protected expenditure	1,985,245
- LGAs expenditure	274,922
- MDAs operational costs	785,025
F. Development Expenditure	11,999,592
(i) Domestic Financing	8,969,747
o/w LGAs Expenditure	412,384
(ii)Foreign Financing	3,029,845
TOTAL EXPENDITURE (E+F)	31,711,986
BUDGET DEFICIT	3.8%

The new revenue measures shall become effective on 1st July, 2017.

DISCLAIMER

The information contained herein is for guidance only and **does not** substitute the relevant Tanzanian Tax Laws and Regulations.

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