TAX REFORM PLANNING IN TANZANIA

INTRODUCTION

Tanzania is a Member of the East African Community which comprises Kenya, Uganda and Tanzania. The three countries have been associated in a common market which was formed during the 1920's and 30's and formalized in the late 1940s under the then pre-independence East African High Commission. The High Commission was transformed into the East African Common Services Organisation in 1962. soon after Tanganyika became independent. In June, 1967, the three countries signed the Treaty for East African Co-operation which creates the Community, which unlike its predecessors is based on an international legal agreement.

Situated between about 1° and 11.5° to the South of the Equator, and with an area of 362,000 square miles, and a population of 12.25 million, Tanzania is the largest of the three partners in both area and population. But it is the least developed of the three industrially though it has reduced the degree of inequality over the past five years. The variation in industrial development levels is indicated by the trade imbalance in 1968 of Shs.187 million and Shs.24 million in favour of Kenya and Uganda respectively which arise largely from manufactured goods imports.

Tanzania is a One Party Democracy with an Executive President and a strong Central Government. Swahili is spoken by large majority of the people and has replaced English as the medium of instruction in all primary schools. Swahili is the primary official language of Government, with English temporary a second.

Tanzania has adopted socialist economic philosophy. However, having been formed under a capitalist oriented colonial power, the economy still has a large private element. It is the declared policy of Government to create a basically socialist mode of production based on co-operative production and marketing in the rural sector and decentralized public corporations in the urban. The Arusha Declaration of February 1967 embodies the framework of Tanzania's economic philosophy. All major financial institutions i.e. Commercial Banking, Insurance, etc. are controlled by the Government and except for the Tanganyika Development Finance Company (owned jointly by the Government of Tanzania, the Commonwealth Development

Corporation, the Dutch Development Corporation and the German Development Corporation) and the Permanent Housing Finance Company (jointly with CDC) these are 100% public sector owned.

It is the Tanzania Government's policy to participate in as many major enterprises as possible either as a 100% owner or in partnership with private industry. There are however a significant number of areas in which private industry is encouraged to invest or expand alone as well as jointly with the public sector.

The Public Finances:

Even before Independence, Tanzania has met the bulk of its recurrent budget requirements from its own revenue sources. However, the whole of the capital budget, which was fairly small during most of the colonial period including its last two years, was met from contributions from the Colonial and Welfare Fund and to a lesser extent through loans floated on the London capital market.

Since independence a steadily rising proportion of government capital formation has been financed from local savings from Recurrent Budget surpluses and local borrowings. As we shall see below, Tanzania managed to raise approximately 60% of her development expenditure during the first Five Year Plan from within the country with 40% from external sources as opposed to a 22:78 ratio of local to foreign financing envisaged in the plan. It is evident that local savings machinery - both voluntary and obligatory (e.g. pension funds) is gradually coming into effective operation on a significant scale.

PART I : TAX REFORM PLANNING PROCESS

A. Organisation and Process

The organisation and procedure for tax planning reform in Tanzania has been historically related to its existing institutions and especially its stock of middle and high level manpower. It is also dependent, to a certain degree, on the sophistication in plan formulation and implementation in that the tax structure prevalent in the economy at any particular point in time and the nature of reforms that might be envisaged in the foreseable future are related to and influenced by plan targets.

There is no formal tax planning unit in Tanzania. This does not mean that co-ordination is lacking between the planning (i.e. Ministry of Economic Affairs and Development Planning) and the Budgetary (i.e. Ministry of Finance or the Treasury, as it is more popularly called) authorities. However, in practice tax reform has been primarily a Treasury function conditioned by plan financial requirements and, in certain cases, by agricultural and industrial output goals.

The existence and implementation of a comprehensive development plan implies adequate Inter-Ministerial consultations in respect of policies and programmes affecting objectives of more than one Ministry. In particular it implies that constant vigilance, on the part of the Treasury and the Ministry of Economic Affairs and Development Planning, in evaluating the performance of the various sectors is necessary if the effectiveness of measures taken to facilitate or cause the realisation of planned goals is to be identified. It, therefore, follows that many decisions in the area of specific tax reform must be discussed and when possible agreed with interested Ministries on the level of principles and sometimes that of approximate rates.

For example, reforms in the field of Customs and Excise duties take cognisance of the need for protective tariff measures and fiscal incentives for the promotion of industrial growth, and are, therefore, discussed in an interministerial committee including Treasury, Ministry of Economic Affairs and Development Planning, and the Ministry of Commerce and Industries. So too, tax changes in respect of export taxes may affect crop output and are discussed in an interministerial agricultural price co-ordinating committee.

Until 1967 such tax discussions tended to take the form of ad hoc bilateral consultations between the Ministries concerned but 1967-68 saw the creation of two formal advisory committees, the Investment and Industrial Promotion Committee (TIIPCO) and the Agricultural Price Co-ordination Committee (APCC), composed of high-level officials of concerned Ministries. The Ministry of Economic Affairs and Development Planning plays a key role in both committees as the national planning agency and as Secretary to the Economic Committee of the Cabinet (ECC) to which points of difference on economic matters are referred for political decision. To date all TIIPCO and almost all APCC refernnces to the ECC have been part of the formal policy making process, and not the result of committee disagreements.

There are three tiers of taxation which a study on Tax Reform Planning in Tanzania must consider. At the lower end, is Local Government taxation carried out by District rural and Urban Councils. As we shall see below, local authorities have in the past collected quite sizeable sums. Until June 1969, they had primary responsibility for financing primary education, health services other than hospitals, rural water supplies and district and urban road systems.

They raised a large proportion of the money to run these services through the rural local rate (a graudated head tax which varied in level according to the wealth and budgetary situation of the district); local produce cesses; site rates; local liquor and trading licences; market fees and a variety of other fees and licences. They also received subventions from the Central Government which met 50% of the cost of salaries and supplies for primary school teachers and the primary school capital cost excluding unskilled labour and was moving toward a parallel arrangement for health services and taking over main district roads. The Central Government financed the capital costs of rural water supplies but the maintenance was the responsibility of the Rural District Councils themselves. Certain revenues - e.g. 50% of vehicle licence fees - were collected by the Central but assigned to Local Government.

Unfortunately most rural councils had found it increasingly difficult to assess and collect all their expected revenues. As a result services suffered unless the Central Government came to their rescue and inequality among districts in level of services provided was very marked.

Consequently, from July 1969 the Central Government took over full responsibility for salaries of primary school teachers, maintenance of rural water supplies, the bulk of the cost of maintaining district roads, and the running of district health centres, while continuing approximately 50% support for clinics.

In addition, the Government announced the abolition of produce cesses and local rates from 1st July, 1969 and 1st January, 1970 respectively. The Central Government will supplement the revenues of the local authorities to enable them to run their residual services.

Thus to the extent that the only major policy taxes (viz the local rate and the produce cesses) have been removed, this tier of taxation is becoming less and less of a planning problem. Trading and liquor licences are centrally fixed and in practice do not pose any serious policy problems. The same applies to market dues. However, the site rates, which are a major urban council revenue source, do require reform. In the absence of private land ownership a change from land to improvement value rating may be needed.

The next and most important level of fiscal planning is national. Primary responsibility for this function rests, in Tanzania, with the Ministry of Finance. The Treasury annually reviews the performance of the economy and of government revenue in the previous calendar and fiscal years and plots a trend for the next eighteen months. The tax measures the Treasury introduces from year to year take into account revenue requirements, probable overall evolution of the economy and plan production targets.

In practice the Government projects probable revenue from existing sources first, expenditure targets second and revenue measures third. There is, however, no absolute phasing distinction in that once initial expenditure ceilings for the various Ministries are fixed and requests received, the sources of revenue are examined simultaneously with the adjustments of ceilings.

However, to the extent that a long term plan is accepted and its production and expenditure targets are known, one would not be wrong in saying that the annual revenue measures that follow must be regarded as instruments of implementing the agreed plan. In 1966 a three year forward budget projection for

1967-8 through 1969-70 was drafted and in 1969 a five year recurrent expenditure and revenue projection and plan was prepared. The existence of such planning is not widely known because, by their nature, many of the results are not publishable.

Finally, national tax reforms have to take into account the East African character of customs, excise, and income taxes. As noted above, Tanzania is a member of the East African Common Market sharing a common external tariff with Uganda and Kenya. In addition there is a common excise tariff and income tax system for companies. Except for small variations in personal allowances there is also a common Personal Income Tax structure. Assessment and collection of income tax is carried out by the East African Income Tax Department and of customs and excise by the East African Customs and Excise Department. The operations of these two Departments are governed by Legislations passed by the East African Legislative Assembly and enacted by the East African Heads of State as the Authority of the Community.

Thus changes in the rates of either of these major sources of revenue have, apart from taking into account the needs of the national states, also to into account the harmonious working of the Common Market and must therefore, be agreed by the three governments although rate changes are enacted by national legislation and minor variations have been agreed on the rates charged by individual countries on a handful of items.

In addition, the Treaty for East African Co-operation introduced in 1967, the Transfer Tax which as a corrective measure substituting the quota and quantitative restriction system for correcting the trade imbalances of the partner states. While variation of rates of this tax within allowed limits* are nationally determined it is a protective not a revenue measure and contributes less than 1% of Central Government receipts.

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* The rate of tax cannot exceed 50% of the rate of duty payable on a similar product imported from outside East Africa.

Thus any envisaged fiscal reform involving customs, excise, or company tax has not only to take into account the interest of Tanzania and its local authorities, but those of Kenya and Uganda as well. Because of the free movement of capital, goods and services in the Common Market, no one country can afford to change company tax rates without distorting the distribution of industries in the Community. Similarly, rates of import and excise duties cannot be unilaterally changed under the provisions of the Treaty although the requirement in the case of excise is for consultation rather than agreement.

Customs changes intended for protective purposes are usually handled through the East African Industrial Promotion Advisory Committee* and approved by the three national Finance Ministers. In Tanzania proposals emanate from the Tanzania Investment and Industrial Promotion Committee (TIIPCO).

The Committee hears representations from industrial and commercial enterprises and on the basis of analysis of their proposals recommends appropriate measures particularly on the field of customs and excise, transfer tax, import licensing, and remissions or refunds. The Committee also considers applications for the protection of foreign investments under the Foreign Investment Protection Act, 1963.

In practice all excise and revenue oriented customs changes and at least some protective measures have originated at or near Principal Secretary level in one of the three Treasuries and been discussed for recommendation to Miniters by the three Principal Secretaries plus a very limited number of other senior officials.

Income Tax (i.e. individual and company tax) is at national level almost solely a Treasury concern. Proposed changes are discussed in inter-Treasury meetings of Kenya, Uganda and Tanzania attended by the Commissioner-General of Income Tax.

In summary, then, fiscal planning relevant to taxation and tax reform is largely handled by the following bodies:-

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* The East African Investment Promotion Committee comprises of officials of the Ministries of Finance, Commerce and Industries and Economic Planning of the Partner States. The Commissioner General of Customs sits as an observer.

(i) the budget committee of the officials of the Treasury, the Ministry of Economic Affairs and Development Planning and the Bank of Tanzania in regard to the financial implications of proposed expenditure and borrowing targets;

(ii) officials of the Treasury and the Ministries of Commerce and Industries, Economic Affairs and Development Planning, and Agriculture, Food and Co-operatives in TIIPCO in respect of sales tax (as from 1st July, 1969), customs and excise duties, transfer tax and related industrial incentives; and

(iii) officials of the Treasury, the Ministry of Economic Affairs and Development Planning and the Ministry of Agriculture, Food and Co-operatives in APCC with regard to export taxes which have a bearing on farmers' earnings.

The co-ordination of taxation policy at an East African level is carried out at official level meetings reporting to meetings of Finance Ministers. The following committees have been in operation in recent years:-

(i) The East African Tariff Committee (re-constituted as East African Industrial Promotion Advisory Committee since April, 1968);

(ii) Budget preparation committee of heads of Treasuries of Partner States and those of East African Customs and Excise and Income Tax Departments. These committees hold a series of consultations on taxation measures during the six months preceeding the Budget sessions of the three Parliaments.

(iii) The Tax Board of the Community.

The Tariff Committee has been in operation since 1963. It originally consisted of the representatives of East African Customs and Excise Department and representatives of Ministries of Finance and Commerce and Industries of each of the East African States with a rotating chairman and aimed at evolving a uniform policy for the protection of and fiscal assistance to industries throughout East Africa. Since its re-designation the Committee is being serviced (and since early 1969 chaired) by the Common Market and Economic Affairs Secretariat of the East African Community and its scope has been enlarged by the formal inclusion of import licensing and Government purchasing policy matters. Agreed recommendations of the Committee (on protective tariff measures) are transmitted by the representative of the E.A. Customs and Excise Department to the Budget Preparation Committee comprising the heads of Treasuries and thence to the Ministers of Finance.

The Budget Preparation Committee considers possible budget changes in the field of income tax, customs and excise having regard to the revenue needs of each Partner State. Major national tax changes such as the introduction of sales taxes in Uganda in 1968 and Tanzania in 1969 are also discussed on occasion. The objective is to ensure maximum possible uniformities in tax changes in the interest of effective administration and functioning of the regional economy.

The Tax Board is a new institution created under Article 88 of the Treaty for East African Co-operation and consists of the heads of Treasuries of the Partner States, the Commissioners-General of the East African Customs and Excise and Income Tax Departments and the State Commissioners of Customs and Excise and Income Tax Departments in each Partner State. A representative of the Community serves as Secretary while the chairmanship is rotated. The functions of the Board include the following:-

(i) "render assistance in the study of correlation between taxes managed and collected by E.A. Community and taxes managed and collected directly by authorities in that Partner State, and render further assistance in matters appertaining to <u>fiscal planning</u> as may be desired by any Partner State;

(ii) "make proposals to improve correlation and report to the Finance Council;

(iii) "keep under review the administration of the E.A. Income Tax Department and the E.A. Customs and Excise Department including the allocation and distribution of revenue collected by those Departments;

(iv) "ensure the best possible co-operation between the E.A. Income Tax Department and the E.A. Customs and Excise Department;

(v) "if requested by any Partner State, to render assistance in relation to taxation planning;

(vi) "to make an annual report to the Finance Council concerning the operation of the E.A. Income Tax Department and of the E.A. Customs and Excise Department, and the organisation and personnel situation in those Departments."

During 1968-69 the Board has been concerned primarily with (vi) above and especially with the devolution of powers by the Commissioners-General to their respective State Commissioners to ensure decentralisation of these two Departments to the partner state Commissioners. A number of possible administrative changes including self-assessment, accelerated payment of taxes by the self-employed, companies and sur-tax payers, and changes in the accounting year, have also been examined by the Tax Board and/or Budget Preparatory Committee meetings. Research studies in the field of correlation of nationally-administered taxes with those managed and collected by the Community have also been initiated already.

The Finance Council of the East African Community is a forum for the discussion of various matters relating to income tax, customs and excise administration recommended by the Tax Board. It also considers proposals from other channels, particularly the budget preparation committee and the Commissioners General, for changes aimed at improving administration of taxes managed and collected by the Community (including transfer tax), powers to exempt certain taxpayers from the payment of income tax. The Finance Council is not a forum for the discussion of national budgets but is responsible for approving the Community Budget estimates prepared by its Finance and Administration Secretariat.

Co-ordination of taxation policy with respect to local authority needs is inevitably a critical part of the tax planning process in Tanzania. It has not however been taking place within an established or permanent committee as is the case with co-ordination at the central government and East African level described above. Consultations take place on an ad hoc basis between the officials of the Ministry of Regional Administration and Rural Development which is statutorily responsible for approving all revenue proposals by Urban and Rural District Councils and Municipal Councils, the Treasury, and the Ministry of Economic Affairs and Development Planning in the first instance with subsequent reference to the Ministers concerned and ultimately to the Economic Committee of the Cabinet.

Zanzibar has a wholly separate budget. Since 15th June, 1967, Customs and Excise and Income Tax matters were unified and revenues attributable to Zanzibar from these sources are channelled through the Central Government budget. An annual transfer is made to Zanzibar having regard to revenues collected in behalf of Zanzibar and Zanzibar's share in the cost of running Union Services financed by the Central Government. The annual subvention payment is discussed in ad hoc meetings of officials of the Zanzibar and mainland Treasuries.

The function of all the committees is advisory, Ministers retain full power to accept, reject or modify their recommendations. The basic substance of decisions is in practice normally arrived at through consultations at official level. Ministerial and Economic Committee discussions generally take place on the basis of analysis prepared either by officials of the Treasury alone or those of the Treasury and other relevant Ministries. Specific details of annual tax changes have in the past seven years been confined to three individuals within the Treasury, the Minister for Finance, the Principal Secretary and the Economic Adviser to the Treasury with more limited participation by the Deputy Secretary, the Senior Economist and one to two specialist officers and advisors. Details are embodied in the draft Finance Bill by the Chief Parliamentary Draftsman in the Attorney General's Chambers. Executive responsibility rests with the Minister for Finance both in the Cabinet and the Legislative Assembly.

The private sector is not represented on any of the co committees but its views have been made known to the Government in the past through Commissions of Inquiry (e.g. in the Coates Commission on Income Tax in 1956 and the Vallibhoy Tax Enquiry in Uganda in 1964, the Chairman of which received data from Tanzania too). Consultations also take place in the Economic and Social Council which is the main formal forum for the exchange of views on tax administration and taxation with the private sector. A recent example of serious consultation with and use of advice from the private sector was the changeover of customs classification to the Brussels Tariff Nomenclature. Occasionally also their co-operation is sought when a new tax measure is introduced or a major rate altered in order to ensure orderly price changes. This was the case with several major companies when in June the sales tax was introduced. Considerable revenue was realised as a result of prior consultation with the companies regarding the administration of tax on stocks held by them.

The responsibility for tax administration is vested entirely in the Treasury and its views are made known to various Committees through their Treasury members. The committees cannot in practice either ignore or regularly override these views because the effectiveness of policy and planning measures recommended by them depends on the administrative feasibility of implementing the recommendations. Similarly, the views of the Chief Parliamentary Draftsman regarding the legal aspects of proposed tax measures are viewed as authoritative in that field. Committees also attempt to consider and take into account the political acceptability of recommendations. As the Minister for Finance is the target for any issues that involve taxation this is normally of special concern to Treasury representatives.

B. <u>Tax Legislation</u>

The main body of Tax Legislations appears as Annex I. Legislations of an East African nature i.e. in respect of administration (but not rates) of Customs and Excise, Transfer Tax, and Income Tax are passed by the East African Legislative Assembly after emanating from the Finance Council (formerly the Ministerial Finance Committee i.e. before the coming into being of the Treaty for East African Co-operation in December 1967) and are enacted by the East African Authority.

The Customs and Excise Management and Transfer Tax Act essentially deals with matters such as the valuation of imports and excisable goods, consumption of the rates of tariff, documentation, warehousing, storage and customs clearance procedures, powers of Customs and Excise Authorities, etc.

The most significant piece of legislation in this area over the last ten years were the 1967 amendments to the original Customs and Excise Act 1952 to introduce the Transfer Tax thus enabling the Customs and Excise Department to administer the same on behalf of Tanzania and Uganda which became entitled to impose the Tax against Kenya under the Treaty for East African Co-operation and the introduction of the Brussels Tariff Nomenclature. The Transfer Tax Act lays down stringent provisions for the carriage and entry of transfer taxable goods, by providing that such goods must be carried by specifically licensed vehicles which can enter transfer taxing States only at specified points and through pre-defined routes.

The Income Tax Management Act is concerned with the definition of taxable income, allowable expenses in the computation of income (for companies in particular), losses, personal allowances and life insurance relief, investment and depreciation allowances, treatment of companies in the assessment of tax, powers of Commissioner on distraint procedures, recovery of tax, tax clearance certificates, due dates, penalties, and similar matters.

The procedures of the Income Tax Management Act have been the subject of frequent and numerous modifications. For several reasons the original U.K. model has proven both less satisfactory and less free from the need for frequent substantive alteration than in the case of Customs and Excise.

In the first instance the environment in which the law is being applied is so variegated that complete uniformity of evaluation and assessment of income is extremely difficult if not impossible.

Second, the amount of self-accounting involved in the computation of income for tax purposes is such that default is both easy and not immediately evident to the tax authorities. In particular it is common knowledge that there are people in Tanzania with incomes which qualify for Income Tax who are simply not filing returns. Locating them and proving default is often exceedingly difficult in the case of self employed businessmen and professional people.

There has therefore been a desire to improve the administration of the tax not only to collect more from those who are now paying, but also to try to record more people in the taxable income brackets. Moreover, as we shall see below, some of the reliefs e,g. on overseas passages and travel expenses, were economically absurd in that they encouraged exportation of funds and hence constituted a waste of foreign exchange and were only understandable in terms of a colonial administration and economy. In 1960 an amendment was passed placing overseas paid pension schemes under the same footing as East African pensions so that any encouragement that these externally paid pensions gave to the beneficiaries was partially offset by the deduction of tax in East Africa. On the same reasoning, it was found necessary to abolish relief on education and dependants allowances as well as insurance premiums paid overseas.

In 1961 another amendment was passed exempting from income tax income received from abroad and imputed income of owner occupied houses. Here again the first amendment facilitated the importation into East Africa of overseas earnings which were otherwise encouraged to be re-invested overseas. On the other hand, the exemption of imputed income from owner occupied houses was aimed at encouraging the construction of personal houses. In addition the 1961 amendment gave more powers to the then Commissioner (now Commissioner General) of Income Tax in the dealing with defaulters who chose to leave the country without paying their taxes.

Another administrative improvement combined with a revenue boosting was incorporated in the 1962 amendment which abolished the cumbersome arrangement whereby recipients of dividends were allowed credit for deductions that were made at sources. Company profits are now charged a standard rate of "corporation tax" and the net dividends paid are subsequently subject to the normal rate of tax applicable to the recipient of the same. Non-resident individuals' dividends are normally subject to a 40% standard rate deduction.

Optional initial allowances to investors also were abolished in favour of a system of industrial and hotel investment allowances combining accellerated and over 100% depreciation deductions. From 1962 on, it will be noted from Annex I, all subsequent legislation was introduced either to improve and streamline existing administrative arrangements thus to increase tax yield or to modify incentives for industrial development and investment. Tax measures including administrative changes over the last decade have had as their number one priority the enhancement of Government revenue and as a second provision of incentives to investment. A significant contribution in the effectiveness of administration of Income Tax was the introduction of PAYE in 1965. Not only has this made the monthly flow of revenue into the exchequer more even, but it has also increased the recovery rate from wage and salary income and eased the assessment exercise in that PAYE tables are clearly tabulated and easy to use. Moreover, there is less inconvenience to the tax-payer now in providing for taxes due long after receipt of taxable income than there was under the old assessment system. This is particularly true for the departing expatriate tax-payer who only needs to pay his sur tax to obtain a tax clearance certificate.

On the Tanzanian front, all major pieces of tax legislation originate within the Ministry of Finance and embody provisions which reflect the outcome of consultations with either the other East African Treasuries in the ad hoc preparatory committees cited above or the inter-ministerial consultations at home. The Treasury alone has responsibility for briefing the Chief Parliamentary Draftsman on the form that any new tax bill is to take. Inter-Ministerial consultations are normally on fairly general and broad outlines. The specifics are necessarily the exclusive responsibility of the Minister for Finance if the secrecy of the tax exercise is to be preserved. Constitutionally, the President has the prerogative of approving financial measures in the nature of taxation, expenditure and public debt before they are referred to Parliament. Thus the Minister for Finance clears tax proposals directly with the President.

Each Partner State has to enact rate amendments or new taxes in respect of Customs and Excise, Transfer Tax and Income Tax. Major non-rate changes included recasting the tariff on a Brussels Tariff Nomenclature basis in 1968, adopting a two column plus fiscal duty on entry format in 1969 preparatory to activation of the 1969 Arusha Convention with the European Economic Community, and metrification passed in 1969 for effective January 1, 1970.

Save for the Company Tax subsequently corporation income tax rate and allowances, income tax allowances have at times varied from one country to another. At the end of 1969 for example, while both Kenya and Tanzania have lowered their marriage allowance from Shs.12,000 to Shs.9,600, Uganda has maintained the 1964/65 rate of Shs.12,000/=. On the children's allowance side also, Uganda is giving an allowance of Shs.1,920/= per child for the first four children and Shs.960/= per child for the fifth and sixth children as was uniform in the 1965/66 Budget Year, while Kenya and Tanzania are now giving a flat child allowance of Shs.2,400/= per child for four children. A schedule showing changes over the past decade of individual income tax allowance in Tanzania appears in section "A" of Annex II hereto. The goal has been to bring in more people into the tax register. The introduction of PAYE has facilitated this in that employers are obliged by law to deduct at source. Unlike the old system when the Income Tax Department itself had to keep track of employees and issue them with Income Tax Return Forms, it now is automatically notified by the employers through returns of PAYE deductions. The Income Tax return form is thus now issued for sur tax purposes and for income other than from wages and salaries only. In addition to these major gains the system also contributes to regularity in the flow of revenue to the exchequer and convenience to the tax-payer who no longer is confronted with a large tax bill long after the receipt of the relevant income.

Perhaps of special significance of all tax changes is the introduction in Tanzania in 1964 of a system of taxation on motor vehicles and beer which had the effect of raising the incidence on the Tanzanian consumer while maintaining an East African strategy of external tariff and domestic excise respectively. In a sense these constituted early precedents for the 1968 Ugandan and 1969 Tanzanian adoption of sales taxes.

Fiscal tools are a means of economic policy as well as instruments of social or political policy. Thus to the extent that there is marked difference in the desired policies in respect of luxury commodities in the three countries as revealed by variations described below it has been necessary to find ways and means by which differential taxation can be imposed unilaterally without affecting the overall goals and requirements of the Common Markot.

In the examples cited above, Tanzania found it necessary to act alone in 1964 on motor vehicle taxation because the other partners were not ready to seek the imposition of heavy curbs on consumption of larger cars and additional revenue from motorists. Thus while maintaining the external tariff for the whole of East Africa on cars, Tanzania decided to impose a Private Motor Vehicle and Used Motor Vehicle Registration Tax which had the effect of substantially raising the price of private cars. The tax which has been kept and indeed increased as part of the 1969 sales tax exercise is imposed on the registration of a new motor vehicle or on the first registration of a used motor vehicle which was previously registered outside Tanzania. If a car was formerly registered outside Tanzania for a period not less than twelve months but not exceeding 24 months, there is a rebate of 20% on the tax paid on a new car of the same make. The rebate is increased to 35% if the car has been so registered for a period of more than 24 months but not exceeding 36 months, and thereafter, every extra 12 months of registration, an additional 10% of rebate is allowed. The tax is <u>ad valorem</u> and varies according to cylinder capacity. In order to avoid a windfall gain in the domestic second hand private vehicle market, a graduated transfer fee is paid each time a vehicle changes hands. This too varies according to cylinder capacity.

In the case of beer, in addition to a common excise tariff that is applicable to the whole of East Africa, Tanzania (and also Uganda) imposed a consumption tax. This tax was incorporated into the Sales Tax in 1969.

Another major source of revenue introduced in 1964 was the Development Levy of 5% on all persons earning not less than Shs.200/= per month as well as on the turnover of most significant agricultural products. This was in order to enable a greater contribution from recurrent revenue to the Development Budget - a purpose it did not in fact serve directly except in its initial year. The tax was collected on expatriate incomes as well but was refundable on their departure. This was to ensure that undue burden was not imposed on foreigners, but that they made interest free loans for the period of their residence.

This levy has since been consolidated with the Personal Tax under the Personal Tax Act 1967. Under section 2(6) of the Act, income of technical assistance personnel received from technical assistance authority is not chargeable to personal tax. In the consolidation the combined Personal Tax rates were altered to render them progressive up to Shs.22,000 and to make a progressive package with income and sur tax above that level. Certain agricultural income from crops subject to export taxes is treated at special lower rates.

Probably the single most important change in Tanzanian tax policy and strategy since independence is the introduction of the Sales Tax in June 1969 especially when taken with the abolition of local rate and produce cess. The tax, which is levied at the point of importation in case of imports and at the point of sale by the manufacturer in the case of local manufactures, provides the best administrative feasible tax base for maximum coverage of tax payers combined with moderate progressiveness up to about Shs.30,000. It is levied at a basic rate of 10% and rises to 15% and 20% in respect of semi-luxuries and luxuries respectively. Essential commodities are exempt from tax - e.g. unprocessed food stuffs, maize meal, sugar, sewing machines, corrugated iron and steel roofing sheets, etc. Sheeting is exempted in order to encourage people to use improved roofing material.

In case of imports from overseas, the tax is levied on the landed cost plus customs duties; while for imports from Kenya and Uganda, the tax is levied on the landed cost plus excise and transfer tax where applicable. The tax is leviable on certain raw materials* as well as final products. However, where both the raw material and the final product are taxable, one stage is exempt. A manufacturer can normally choose to pay either at the point of acquisition of the raw material (with his final product exempt) or to buy the raw material free of tax and pay on the final product. In the latter, the manufacturer can register with the Commissioner for Sales Tax (who is the Principal Secretary to the Treasury) as a "Registered Dealer" in the specified materials. By production of this Certificate, the dealer can buy the raw material tax free and pay the tax at the final product stage. In this way, double taxation is avoided. In such cases the tax on the raw material is at a higher rate to result in a revenue equivalent to that at the standard rate on the final product.

Alternatively, a dealer can pay the tax on the raw material and claim a rebate on the final product by subtracting from his tax liability the tax already paid on the raw material. However, unless the material in the final product can be estimated precisely to assess the tax actually paid on the raw material embodied therein it is difficult to arrive at an accurate figure for deduction as total tax paid on raw materials is higher because of the unexpended stocks. This problem is still being studied. Another potential probelm is that if the final product is excisable while the raw material is not, the value of tax on the final product may be higher even at a lower rate because the addition in value in the manufacturing process is augmented by the excise.

Another problem connected with the sales tax arises in cases in which the manufacturers include a number of very small producers who are either self-employed or employing less than five people. Examples of this include the woodwork trade, shoe making, tailoring, baking, etc. To ensure that these activities

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* e.g. where a product can be used both as a raw material and a finished product, e.g. cloth, yarn, tax is levied on the raw material and the final product for which it acts as a raw material.

also pay, the tax in such industries is levied on the raw material i.e. on timber, rubber, leather, cloth and flour respectively and is rated at 15 or 20% to approximate 10% on the final product.

Sales tax is collected by the Treasury with Customs and Excise serving as its agent for imported goods. Returns comprising copies of delivery notes and the tax computation are submitted monthly with the requisite cheque for the amount of tax due on domestic goods and tax on imports paid on release by Customs.

One important point in favour of the tax in addition to the fact that it provides the widest coverage of any tax in Tanzania is that it affords an important source of revenue has been introduced for which variations in both rates and coverage can be unilaterally altered. This is not to say that an East African approach is desirable but uniformity of all major revenue sources among three states with different economic structures and policies is not truly feasible. Uganda was the first to adopt a sales tax in 1968/69 and Tanzania followed in 1969/70. There has been no appreciable distortion in the operation of industry in the East African Community as exports are tax exempt.

Other national tax legislations include the introduction of airport service charge, entertainment tax, radio licences, road toll, hotel development levy and electricity tax at various dates mentioned in Annex I to this paper.

The Radio Licence and Road Toll were repealed in June this year because both have been cumbersome to collect and the former discouraged access to information. The Airport Tax has been increased from Shs.7/50 per ticket at the time of introduction to shs.15/= and the Entertainment tax from Shs.1/= per person to Shs.2/= per person. Electricity consumption tax is levied at 5% for bills above Shs.20/= and below Shs.100/= and at 10% for bills above Shs.100/=. The tax is levied on domestic and commercial consumption of electricity but not on industrial.

C. Evaluation of Tax Planning:

Planning conceived as a strategy for social and economic development has a fairly short history in Tanzania. It is in hardly longer than the history of Tanganyika (subsequently

Tanzania) as a national entity. It was the imminence of independence for Tanganyika that gave birth to the first serious planning exercise, the three Year Plan of 1960/61 to 1963/64. The plan did, though taking care of the public sector only, give recognition to the importance of capital formation in the Government Budget in particular and the economy in general.

Even before independence, it was the policy of the Administering Authority to seek to secure the whole of the funds required to run the administrative services of the country domestically. The limited capital development undertaken was however almost totally met from the Colonial Development and Welfare Scheme and external stock issues.

Demands of the basically law and order administration were not such as to require a fiscal effort comparable to that of the independence period. This is particularly so when one considers the high commodity prices obtaining immediately after the Second World War and especially during the Korean war boom. However, import duties alone pertained to foreign trade - export duties significant rates are basically an innovation since independence.

On the other hand, there was such little co-ordinated concern with planning industrial and related development that there was little serious thought of using the tax structure to promote desired changes in production or income distribution as well as to provide revenue.

However, the advent of planning inaugurated a changing pattern of fiscal thinking. The three year development plan of 1961/62 to 1963/64 aimed at a growth rate of the economy of 5% and required a development expenditure of Shs.480 million as well as a rise in recurrent spending from Shs.414 million per annum at the beginning of the plan period to Shs.509.4 million in 1963/64. This made it imperative to maintain a balanced recurrent budget so that external finance could be utilized solely for reaching the targeted level of development expenditure. Recurrent revenue had to be increased at the rate of approximately 4.5% annually or nearly 40 million shillings to cope with this trend. The desirability of domestic sacrifice by the people of Tanzania was clearly stated, for example in the following words of the then Minister for Finance presenting the pre-independence Budget:

"Mr. Speaker, when the next Budget is presented to this House it will be that of a new Government - of a Responsible Government elected by the people of Tanganyika - a Government to which we will all wish good fortune in the tremendous tasks it will have to undertake. It will be faced with many responsibilities amongst them the task of leading the country to Independence, political and economic. The latter will be the more difficult, I believe, for there are many obstacles to be overcome and problems to be solved to ensure that economically the transition to independence improves the lot of the people. Tanganyika will need friendly hands to help it along on that journey - but most of the time it must rely on itself - on the will and the work of the people. With sturdy and courageous leadership, inspired by honesty of purpose and intention, it will cross the valleys and climb the hills that lead to that goal - to show Africa and the world that from small beginnings a great nation can grow - great in the sense of its dedication to the cause of humanity - its devotion to justice and order - it work for the good of all - to the detriment of none."*

Recent events have proved the wisdom behind these words.

In the case of first Five Year Development Plan, a total investment of Shs.4,920 was envisaged for the purpose of attaining an expansion of national income at the rate of 6.7%. The share of Central Government investment was to be Shs.1,447 million financed 78% through foreign borrowing and 22% from local finance including a substantial recurrent budgetary surplus to be achieved by means of changes in taxation and austerity in recurrent expenditure. Somewhat inconsistently, the implicit assumption was that revenue would expand at roughly two thirds the rate of expansion of national income while recurrent spending would rise from Shs.758 million at the commencement to Shs.832 million at the end of the Plan or at barely 2% a year - less than one third the rate of GDP. In practice both revenue and recurrent expenditure annual growth approximated 10% not 4% and 2%.

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* 1960/61 Budget Speech presented by Sir Ernest Vasey.

As already seen, the achieved domestic contribution was 60% of the actual development expenditure channelled through the Development Budget or approximately Shs.945.83 million of the total Shs.1,442.58 million actual expenditure. Of this, Shs.268.67 million came from recurrent budget contributions and the remainder from domestic borrowing. The domestic contribution would have been at least of the order of 80% if the commodity prices ruling in 1963 had persisted. In fact by 1968 Tanzania's commodity terms of trade had deteriorated to barely above 75% taking 1964 as a base.

The Second Five Year Plan, aims at a growth rate of national income of 6.5% which entails an investment target of Shs.8,085 million over the five year period. The share of Central Government is expected to be Shs.3,055 million of which Shs.1,600 million or approximately 40% is required to be raised through external sources and the remainder including transfers of up to Shs.620 million from the recurrent budget, from local resources. The anticipated level of contribution of the recurrent budget is expected to be made available through "a tax policy which ensures that revenue will grow slightly faster than monetary incomes, and restraint on the growth (within an overall limit of an increase of 7½%) of non-developmental spending."*

It follows from the above analysis, therefore, that a vigorous testing of internal consistency of financial balances and definitive planning of revenue targets has become an important feature of the planning process.

Prior to 1969 the Treasury has, in part through the committees and consultations outlined but basically independently on major revenue issues aimed at producing each year a tax package that answered the plan targets financially as well as from a production incentive point of view. The draft 1967/68-1969/70 Budgetary projections did not include revenue measures.

The two five year development plans had also been subjected to the assessment of internal consistency of physical balances including overall supplies of manpower for the execution of development projects and, at least in the second plan, the maintenance of adequate levels of recurrent services.

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* Page 216, Vol. I of Plan 1969/70 - 1973/74.

For the Second Plan detailed projections of revenue targets have been made with regard to the historic tax administration and receipts experience and the tax administration improvements envisaged for the duration of the plan period. Projections of levels of revenue needed from new measures and a perspective of potential sources were also prepared.

While the planning of tax revenues did not really become a permanent feature of development planning until the commencement of the first five year development plan in 1964/65, the planning of "tax structure" began later still. This was again inevitable because the tax structure inherited by Tanzania at the time of independence was tailored to the policies of foreign administration. Furthermore, the lack of trained and experienced local tax administrators made it impossible to consider any serious reforms aimed at the long-term reform of the tax structure. Even though this kind of problems did not get fully resolved, Tanzanian authorities considered it appropriate to launch a full-scale programme of tax structure reform, the contents of which were outlined by the Minister for Finance in his budget for 1966/67:

> "I should like now to turn to the general problems which confront the Government in the field of taxation. There are three matters which I wish to mention in particular.
>
> "The first concerns the basic structure of Tanzania's tax system which is very closely geared to international trade transactions. At the moment more than half the Central Government's revenue is derived from duties and levies imposed on the country's import/export trade. Although it is understandable that the tax system should take this form in an economy which turns on the flow of international trade, we must in future give serious consideration to the taxation of internal transactions, while ensuring that the development and expansion of local industry continues to receive every possible encouragement that Government can provide.
>
> "The second point which I wish to mention relates to the low income elasticity of the revenue. The experience of the Government has been that the growth in revenue derived from the existing tax system has not kept pace with the rate of expansion in the monetary economy.

Recent increases in revenue have largely resulted from changes in tax rates, and the introduction of new fiscal measures. This has incidentally made Tanzania a highly taxed country. There is a limit to the changes which the Government can make in the established fiscal system and in any programme of fiscal form, I believe, we must seek to devise str ctural changes which make the revenue more closely responsive to the general expansion of the economy.

"My third point concerns the relative significance within the fiscal system of taxation such as income tax and personal tax, which fall directly on income and those like customs and excise duties whose incidence is indirect. Representations have been made to Government in recent months that in certain areas of the economy undue emphasis has been placed on direct taxation through the various increases which have been made in personal tax, and through the introduction last year of the development levy. I personally believe that the machinery for collecting income tax needs to be strengthened, so as to ensure due payment of this tax from those who are liable to pay it. I shall refer to this matter again a little later. As regards the development levy, Government has given the most serious consideration to its operation, and again I shall have occasion later on to come back to it.

"........ we have recently arranged with the fiscal affairs department of the International Monetary Fund to secure the services of a senior tax official from Norway. His function will be to advise the Treasury on the effectiveness of the administration of existing taxes at both Central and Local Government levels having particular regard to the improved efficiency and reliability of assessment and collection procedures and to the possibility of simplifying and strengthening the present tax structure. The fiscal expert will be required to advise on the procedures necessary for the introduction either of a sales tax at the wholesale, manufacturing and import stages or of a turnover tax, which would also serve as a method of assessment for income tax purposes, and to report on the administrative feasibility of these different forms of taxation. The expert will also be asked to recommend such changes or modifications in the fiscal system as seem suited to the conditions of Tanzania and its special position in the East African common market. I should like to say how grateful we are to the International Monetary Fund for providing us with technical assistance in this important field."

Although this programme of tax structure reform is far from complete, it has nonetheless lead to a much more rational basis of tax reform planning for the Second Five Year Development Plan.

For instance, the sales tax was introduced in 1969 following a Five Year planning exercise. Revenue, incentive, and incidence both for the initial year of operation and for the period 1969-1974 were projected and analyzed at various levels of aggregation. The basic objectives were to secure a major source of revenue which would grow at least as rapidly as GDP, would be progressive at income levels below those affected by income tax, redress the tax imbalance against the rural areas in terms of tax bills at similar income levels (rural expenditure already exceeded revenue from rural sources), and be subject to purely national control and modification.

Although revenue from import duties has shown a continuous upward trend, it will probably reach a plateau in the early 1970s and then decline with the growth of domestic consumer goods output. Thus unless there were to be corresponding expansion in the excise base, an approach presenting problems both of East African agreement and of administration - a conscious effort had to be made to find a source of revenue which would both be subject to national control and - even more critical grow as rapidly as or more rapidly than Gross Domestic Product. The Sales Tax appears to provide a basic solution. Refinement of rate structures, broadening of coverage, related taxes on services, and possibly changing the point of incidence to wholesale will be needed but over the period to 197[illegible] and perhaps 1980 the Sales Tax should provide a large portion of the annual incremental revenue requirement more or less automatically.

From a structural point of view, the Personal and Income Tax system have undergone evolution to their present highly progressive pattern. Progressiveness of incidence has also been attempted with a fair amount of success in the customs and excise tariffs and in the Sales Tax to implement Tanzania's philosophy has been to ensure that people pay according to their ability. The combined import-sales tax-licence package on vehicles, fuel, and parts has been raised to the point at which it approximates recurrent expenditure on roads, local capital costs of road construction, and interest on foreign capital borrowings for road building.

Although a specific long-term fiscal plan has not been published long term fiscal planning both exists and is increaingly effective in Tanzania. On the most general level there is a clear recognition of the role of taxation as a means to allocating adequate resources to recurrent and government capital expenditure, of its role in influencing patterns of production and consumption, and of its impact on effective income distribution. Second, a fairly high degree of budgetary discipline both in respect of selective control of expenditure and of acceptance of new tax measures has been built up since 1964. Third, a detailed mechanism for analysing particular tax measures and their administration has been devised and put into operation. Finally, overall projections of revenue, expenditure and incidence are now carried out on a five year basis as well as more detailed short range analysis of particular taxes and tax changes. A major problem is inadequacy of data - in the absence of budget, income distribution, and up to date detailed production data fiscal analysis of any kind and especially projections and forward planning involves a high degree of intuitions and of fairly rough approximation. A second weakness flows in part from the shortage of personnel and in part from the difficulty of combining secrecy and effective planning - knowledge of the existence, let alone even the broad outlines, of fiscal planning is limited to a handful of individuals.

The appropriateness of existing taxes is appraised in TIIPCO and APCC to which are addressed complaints, queries, and suggestions for changes. The efficiency of revenue measures and their administration is regularly reviewed by the Treasury. In particular, it undertakes a half-yearly survey of the performance of the various revenue and expenditure proposals and estimates the likely financial position for the end of the fiscal year. Overall revenue collection has tended to exceed estimates by a small margin because the final revenue estimates are normally in the lower half of prior probable range projections. Combined with firm control on supplementary expenditure, this pattern of collections has, to date, obviated the need for mid-year tax changes designed to augment revenues.

APPENDIX I

APPENDIX I

Tax Legislation

1. E.A. Customs and Transfer Tax Management Act 1952 and 1967.

2. E.A. Income Tax Management Act 1958 and amendments thereto in 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967 and 1969.

3. Annual Finance Acts 1960 to 1969.

4. Provisional Collection of Taxes Act 1963.

5. Customs Tariff Act 1968 (replacing previous legislation to introduce Brussels Tariff Nomenclature) and Customs Tariff Act 1969 (introducing metrification of Customs Tariff and "double-column" tariff pending ratification of the Association Agreement with the European Economic Community).

6. Excise Tariff (Amendment) Acts 1960-69.

7. Transfer Tax Act 1967 and subsidiary legislation thereunder.

8. Consumption Taxes. Beer Act 1967; Soft Drinks Act 1968 and Electricity Act 1968,

9. Motor Vehicle Registration Act 1964 and amendments thereto.

10. Used Motor Vehicle Registration Tax Act 1963 and amendments thereto.

11. Export Tax (Cap.196) Ordinance 1946 and amendments thereto.

12. Produce Cess Act 1962.

13. Income Tax (Rates and Allowances Acts): 1960 to 1969.

14. Personal Tax Amendment Acts of 1960, 1962, 1963 and 1965; its re-enactment in the "New" Personal Tax Act 1968 and amendment thereto in 1969.

15. Development Levy Act 1965, amendments thereto in 1966 and 1967 and its re-enactment in the "New" Personal Tax Act of 1968.

16. Estate Duty Act 1963 and amendment thereto in 1967.

17. Entertainment Tax Act 1963 and amendments thereto.

18. Hotel Accommodation (Imposition of Levy) Act 1962 and amendments thereto.

19. Traffic Ordinance (Cap.168) and amendments thereto (regarding vehicle licence fees).

20. Trade Licensing (Cap208) Ordinance and amendments thereto.

21. Stamps Ordinance (Cap.189) and amendments thereto.

22. Companies (Tax on Nominal Capital) Ordinance (Acp188).

23. Aviation Spirit Service Tax Act 1966 and Air Service Charge Act 1964.

24. Road Tolls Act 1966.

25. Broadcast Receiving Apparatus Act 1964.

26. Sales Tax Act 1969

27. Sales Tax (Prevention of Price Increases) Act, 1969.

EXPORT TAX

YEAR	GDP (1)	X TAX (2)	TAXABLE EXPORTS (3)	(3)/(1)	(2)/(3)	(2)/(1)
1960	2264	1.06	40.82	1.8	2.6	0.04
1961	2756	1.17	51.86	1.9	2.2	0.04
1962	2976	7.05	379.04	12.7	1.7	0.27
1963	3342	15.56	522.72	15.6	2.8	0.46
1964	3801	23.63	719.23	18.9	3.3	0.62
1965	3948	20.62	523.76	13.3	3.9	0.52
1966	4418	25.02	1229.62	28.3	2.0	0.56
1967	4625	36.68	999.24	21.6	3.7	0.79
1968	4828	44.24	993.18	20.5	4.5	0.92
1969	(5142)					

IMPORT DUTIES

YEAR	G.D.P.	RETAINED BY	IMPORT DUTY	IMPORTS/ G.D.P.	I.D./IMPORTS	ID/GDP
1960	2264	721.40	152.98	31.9	20.15	6.5
1961	2756	754.72	157.52	27.4	20.87	5.8
1962	2976	749.66	192.92	25.2	25.73	6.5
1963	3342	776.64	220.88	23.2	28.43	6.3
1964	3801	853.42	250.10	22.5	29.30	6.6
1965	3948	975.04	272.06	24.7	27.89	6.9
1966	44[illegible]	1174.94	338.32	26.6	28.90	7.6
1967	4625	1277.20	307.56	26.8	24.08	6.7
1968	4828		404.36			8.4

INCOME TAX

YEAR		I/T	ACTUAL INCOME	G.D.P.	A.Y. GDP	IT/ A.Y.	I.T. G.D.P.	
1960		19.26	155.78	2264	6.9	12.3	0.8	
1961		19.28	155.44	2756	5.6	12.4	0.7	
1962		18.64	153.20	2976	5.2	12.2	0.6	
1963		21.26	168.60	3342	5.0	12.6	0.6	
1964		23.72	129.18	3801	4.7	13.2	0.6	(including P.Tax 1.2)
	Per. Tax	21.377)						
1965		32.76	200.88	3948	5.1	16.2	0.5	
1966		28.32	205.12	4418	4.6	13.8	0.6	
1967								
1968								

A.Y. = Actual Income.

COMPANY TAX

YEAR	ACTUAL Y (1)	COY TAX (2)	MONETARY GDP (3)	(1)/(3)	(2)/(1)	(2)/(3)
1960	193.02	52.96	2664	8.5	20.7	1.9
1961	224.36	71.34	2756	8.1	31.8	2.6
1962	199.32	80.46	2976	6.7	40.3	2.7
1963	247.86	90.71	3342	7.4	36.2	2.7
1964	284.94	110.78	3801	7.5	30.8	2.9
1965	247.74	94.78	3948	6.3	38.3	2.4
1966	259.60	107.16	4418	6.1	39.9	2.4
1967						
1968						

(Shs. Mln).

YEAR	GDP*	CGTR	LGTR	TTR	CGTR/GDP %	LGTR/GDP %	TTR/GDP %	Δ GDP %	Δ CGTR %	Δ TTR %	Δ TTR/GDP
1960	2,264	434.21	88.47	522.68	19.1	4.0	23.1				6.1%
1961	2,756	431.42	121.13	552.55	16.0	4.0	20.0	2.1	0.8	4.1	10.0%
1962	2,976	466.82	107.62	574.44	15.8	3.5	19.3	8.0	7.9	4.0	20.5%
1963	3,342	532.91	115.70	648.61	15.9	3.5	19.4	12.3	14.5	13.0	47.3%
1964	3,801	620.94	196.46	817.40	16.3	5.2	21.5	13.7	16.5	26.1	35.4%
1965	3,948	696.41	173.11	869.52	17.9	4.1	22.0	4.1	12.1	6.3	22.8%
1966	4,418	792.03	184.02	976.05	17.9	4.2	22.1	11.9	10.8	12.2	67.0%
1967	4,625	930.43	184.88	1115.31	20.1	4.0	24.1	4.4	10.3	14.2	72.0%
1968	4,828	1061.96	(184.88)	(1246.84)	21.9	(4.0)	(25.9)	1.7	1.4	12.7	(34.3%)
1969	(5,142)	(1188.75)	(190.00)	(1378.75)	(23.1)	(3.4)	(27.5)	4.6	1.2		7.00%

N.B. GDP = Monetary Gross Domestic Product.

CGTR = Central Government Tax Revenue.

LGTR = Local Government Tax Revenue.

Δ TTR = Total Tax Revenue.

Δ GDP = Change in Gross Domestic Product.

Δ TTR = Change in Total Revenue.

Δ TTR/GDP is the total revenue

Figures in brackets are estimated statistics. Monetary GDP for 1969 is in terms of the Plan Projection of 6.7% on the figure for 1968.

RATES OF TAXES
SALES

ITEM	UNIT	1960/61	1961/62	1962/63	1963/64
Frozen, Canned, Processed meat) (including poultry, fish, etc.)	%	(Nil to (30%	-	-	-
Milk & Milk Products	%	22	25	-	-
Processed/fresh fruits and vegetables	%	30/Free	-	-	-
Edible Fats	%	22	25 to 33.3	-	-
Cereals and Cereal preparation	%	30	-	-	-
Biscuits	%	Free	-	-	-
Sugar	Shs.per 100 lbs.	Shs.5/-	11/-	16/-	-
Beverages : Tea/Coffee, etc.	Shs.per lb.	Nil to Sh./-	-	-	-
Beer	Per Gallon	10/50	-	14/-	-
Spirits	Per Gallon	126/-to 145/-	140/- to 160/-	130/-to 200/-	-
Wines in bottle/casks	-	12/- / 8/-	-	-	-
Tobacco/Snuff	Per lb.	33/free	-	-	-
Cigarettes	Per lb.	33/-	-	44/-	-
Cigars/Cigarettes etc.	Per lb.	44/-	-	56/-	-
Kerosene	Per Gallon	-/30	-	-/40	-
Soap, Powders and Extract	Per 100 lbs.bag	22% or -/25 per bag	25% or 8/75 per bag	-	-
Chemicals	%	Free	-	-	-
Dyes	%	60/-	66.6%	75/-	-
Perfumery Cosmetics	%	60/-	66.6%	75/-	-
Jewellery	%	60/-	66.6%	75/-	-
Fertilisers	%	Free	-	-	-
Tyres and Tubes	Per lb.	-30/- solid -/90 prematic	1/-	1/25	-
Wood and [illegible] Manufacture	%	11%/22%	-	-	-

IMPORT DUTY AN[illegible]
[illegible] TAX

1964/65	1965/66	1966/67	1967/68	1968/69	1969/70	SALES TAX ON CIF VALUE PLUS IMPORT DUTY
–	(37½% (37½%	–	–	50 50	– –	10% 10%
–	37½%	–	–	50	–	10%
–	37½%/ 30%	–	50%/ 30%	50/ 30%	50/50%	10%
–	30 to 37½%	–	–	50	–	10%
–	37½%	–	50%	–	–	10%
–	1/20 per lb or 30%	1/25 per lb or 37½%	–	1/65 per lb or 50%	–	10%
19/00	20/-	–	–	–	–	10%
–	–	30% on coffee ext.	–	–	–	10%
–	18/-	–	–	–	18/- on beer	3/40 on beer. 4/55 on stout
–	–	–	–	–	22/50on stout	20%
16/-/ 12/-.	–	–	20/-/ 12/-	–	–	20%
33 -/ 5/-	–	–	–	–	–	20%
–	55/-	–	–	66/-	–	5/50 to 50/-per 1000 depending on retail price
–	62/-	–	–	74/40	–	20%
-/60	–	–	–	–	–	-/20 cent.
33% or 50/- per bag	37½% or 55/25 per bag	37½% or Shs.80/-	–	44% or 88/-	–	10%
–	–	–	–	–.	–	10% on drugs
–	–	–	–	–	–	20%
–	–	–	–	–	–	20%
–	–	–	–	–	–	20%
–	–	–	–	–	–	Free
–	–	–	–	1/50 per lb.	–	10 to 20% [illegible] materials [illegible] final goods.
–	–	–	–		–	10 - 20% on raw materials [illegible] final goods.

I T E M	UNIT	1960/61	1961/62
Paper Manufacture	%	11 to 22%	-
Metal Manufacture	%	11%	-
Glass Manufacture	%	11%	12½%
Packing Materials	%	Free	12½%
TEXTILES :			
Cotton Grey to Good quality silk and other Type of cloth	Per Square Yard	-/50 to -/80 per square yard or 22 to 30%	-/55 to -/90 per square yard or 22-30%
Crocheted.	(Per lb)	-	-
CLOTHING :			
Garments	Per piece	1/50 or 30%	1/65 or 33.3%
Stockings and Hose	Per pair	-/25 or 30%	-/35 or 30%
Footwear	per pair	1/50 or 22%	-
Manufacture of Leather	Per pair	-/75 to 3/75 or 22%	-/75 to 3/75 or 25%
Matches	Per gross 100 match containers	3/25	5/-
Bicycles	Per Piece %	36/- or 22%	36/- or 25%
Clocks & Watches	%	22	25
Toys	%	11	12½
Paints	%	11	25
Radios, Taperecorders etc.	Per Piece %	22	-
Refrigerators and Airconditioners	%	Free	-
Sewing Machines	%	22	-
Cameras and Photographic equipment	%	Free	-

1962/63	1963/64	1964/65	1965/66	1966/67	1967/68	1968/69	1969/70	SALES TAX
-	-	-	15 to 30%	-	-	15 to $33\frac{1}{3}\%$	-	10 to 20%*
-	-	-	30%	-	-	-	-	15 to 20%*
-	-	-	30%	-	-	[illegible]	-	15 to 20%*
$12\frac{1}{2}\%$ to $17\frac{1}{2}$	-	-	15 to $17\frac{1}{2}\%$	-	-	-	-	10%
	-/60 to 1/- per sq.yard or 36.6%	-/75 to 1/- or 36.6%	-	1/- to 1/25 or 40%	1/25 to 1/50 or 40%	1/35 to 1/60 or 40% /-		15% 15%
-	2/- per Sq. yard or 36.6%	2/20 or 36.6%	-	2/75 or 40%	2/75 or 40%	or 40%	-	
-	-	-	-	3/10 per lb.or 40%	3/10 or 40%	3/30 or 40%	-	15%
- -	1/85 or 36.6% -/35 or 36.6%	2/- or 40% -/40 or 40%	1/80 or 30%	3/- or [illegible] 1/- or 40%	- -	3/30 or 45% 1/10 or 45%		20% on yarn 10 to 15%
-	-	---	-/90 to 4/50 or 30%	-	-	-	-	15%
-	-	---	-	-	-	-	-	15%
-	-	---	-	-	-	-	-	Free
-	-	---	$37\frac{1}{2}\%$ or 36/-	-	-	-	-	10%
-	-	---	30	-	-	-	-	15%
-	25%	---	-	-	-	-	-	10%
-	-	---	$37\frac{1}{2}\%$	-	-	-	-	10%
39	-	---	45/- or 30%	50/- or or, 50%	-	-	-	20%
-	25%	---	-	-	-	-	-	20%
-	-	---	-	-	-	-	-	Free
-	-	---	-	30%	-	-	-	20%

963/64	1964/65	1965/66	1966/67	1967/68	1968/69	1969/70	SALES TAX
-	-	$37\frac{1}{2}$% or -/25 to 1/25	-	-	-	-	10%
-	-	1/-- to 2/-- or 30%	-	-	-	-	10%
-	-	10/- or 30%	-	-	-	-	10%
11%	-	-	-	-	-	-	FREE
25%	-	-	-	-	-	-	FREE
1/10 per 100 lbs.	-	-	-	-	-	-	20/- per ton
-	-	30%	-	-	-	-	FREE
25%/ FREE	-	30%/ 30%	-	-	$33\frac{1}{3}$%/ 30%	-	FREE
25%	-	30%	-	-	-	-	FREE
12.5%	-	15% to 30%	-	-	-	$33\frac{1}{3}$% or 1/50 per lb.	FREE
-	-	-	-	-	-	-	FREE

EXP

ITEM	UNIT	1960/61	1961/62	1962/63	1
Utensils (Enamelware)	%	-/25 to 1/25 or 30%	-	-	
Hurricane Lamps	Per Piece/%	-/90 to 1/75 or 22%	25% or -/90 to 1/75	-	
Pressure Stoves	Per Piece/%	7/- or 22%	-	-	
Bath tubs, Sinks, etc.	%	FREE	-	-	
Roofing and Floor Material	%	FREE	12½%	-	
Cement	Lbs.	1/[illegible] per [illegible] lbs	-	-	
Asbestoes Sheets	%	11%	25%	-	
Bricks, Slates, Tiles/ Building Plaster	%	11%/Free	-	-	
Windows, Doors, Gutterings	%	11%	12½%	-	
Door handles, Sanitary Cistern etc.	%	FREE	FREE	-	
Aluminium Flat/circles, Sheets, etc.	%	NIL	12½ to 25%	-	

EXPORT TAXATION:

Item	1960/61	1961/62	1962/63	1963/64	1964/65	1965/66	1966/67	1967/68	1968/69	1969/70
				Per Ton	Per Ton					
Sisal:	NIL	NIL	NIL	Below 1500/= Tax Free 1500-1900/= @ 5% 1900-2000/= @ 5% 2000-2200/= 100/= plus @ 50% on sum over 2000/= 2200-2500/= 200/= plus @ 100% on sums over 2200/= Over 2500/= @ 20% ad valorem	Below 1500/= Tax Free 1500-1900/= @ 5% 1900-2000/= 95/= plus @ 10% on sum over 1900/= 2000-2100/= 145/= plus @ 75% on sum over 2000/= Over 2100/= 220/= plus 100% on sums over 2100/=	1480-1540/= @ 20/= per ton 1540-1560/= 60/= plus 90% on sum over 1540/= 1560-1900/= 5% 1900-2000/= 95/= plus 10% on sum over 1900/=	Same as 1965/66	Same	Same	Same
Coffee:	NIL	NIL	NIL	NIL	@ Shs.440 per ton (on sales to ICA Quota Countries)	Same	Sales to ICA Quota Countries cherry burri & Tax @ 250/= per ton other 560/= per ton	Sales to Quota Countries Mild Arabica 560/= per ton Hard Arabica 520/= per ton Robusta 440/= per ton Cherry Burri 280/= per ton	Same	Same
Meat & Meat Products	NIL	NIL	NIL	NIL	NIL	NIL	@ 3% on f.o.b. value of commodity	3%	3%	3%
Timber:	NIL	NIL	NIL	NIL	NIL	NIL	@ 5% on blackwood, mtambara, mninga & mvule	5%	5%	5%
Cotton Lint:							@ -/3 per lb.	@ 18/= per bale of 375 to 4-5 lbs. gross wt. & in all other cases at 4.5 cents per lb.	18/= per 375 to 425 lbs. bale and @ 9cents per lb. in all other uses	Same
Pyrethrum extract	NIL	NIL	NIL	NIL	NIL	NIL	@-/20 per Sh. of value in excess of Shs.50/= per lb.	-/20		

.../2

EXPORT TAXATION:

Item	1960/61	1961/62	1962/63	1963/64 Per Ton	1964/65 Per T
Pyrethrum Flower	NIL	NIL	NIL	NIL	
Oil Seeds & Nuts	NIL	NIL	NIL	/	NIL
Copra					
Cashewnuts					
Castor Seeds					
Groundnuts (crushing)					
(edible)					
Sesame (sim sim)					
Sunflower f.a.q.. (mixed & black)					
" Iringa (mixed)					
" (Jupiter white)					
Tea	-/10 per lb.	-/10 per lb.	-/10 per lb.	-/10 per lb.	/10 per lb.
Hides & Skins					
Crocodile skins	NIL	20/=	20/=	20/=	20/=
Goat skins, ground dried	23/= per 100 lb.	same	same	same	same
Hides airdried	3/=per 100 lbs.	"	"	"	"
Goat skins, airdried	18/= per 100 lbs.	"	"	"	"
Hides, ground dried	1/40 per 100 lbs.	"	"	"	"
Bees wax	500/= per ton	same	same	same	same

As from 1st

19[illegible]/66	1966/67		1967/68		1968/69	1969/70
NI[illegible]	NIL		NIL		@ 4% on buying price of the [illegible] Company	@ 4% on Company's buying price
	Basic (Ceiling/marginal price (per ton)	rate on (Shs) 20/=				
	1000-1180	10/=	1000-1180	10/-	5%	5%
	1000-1280	15/-	1st Gd. 1150-1330	10/=	5%	5%
			2nd Gd. 1050-1230	10/=	3%	NIL
			3rd Gd. 950-1130	10/=	3%	NIL
			700-980	10/=	3%	
	800-980	10/=	800-980	10/=	3%	NIL
	1000-1180	10/=	1000-1180	10/=	3%	NIL
	1200-1380	10/=	1200-1380	10/	3%	NIL
	1200-1380	10/=	1400-1580	10/=	3%	NIL
	500-980	15/=	600-780	10/=	3%	NIL
	600-880	15/=	600-780	10/=	3%	NIL
	900-980	15/=	800-980	10/=	3%	NIL
-/[illegible] per lb.	-/10 per lb.		-/10 per lb.		-/10 per lb.	-/07 per lb.
20/=	10/=		10/-		10/=	10/=
same			Dried Hides & calf skins	12/75	12/75	11/=
"			Salted Hides	6/35	6/35	[illegible]/50
"			Goat skins	37/75	37/75	28/05
			Hair sheep skins	22/80	22/30	21/=
			Wool skins	7/60	7/60	7/=
	same		500/= per ton		same	same

195[illegible]

EXCISE TARIFF RATES

I T E M	U N I T	1960/61	1961/62	1962/63
Stout	Per 36 Standard Gallon of worts	216/-	216/-	266/-
Beer	Per 36 Standard Gallon of Worts	216/-	[illegible]/-	2[illegible]/-
(Consumption Tax)	Per Gallon	-	-	-
Sugar	Per Cwt. (112 lbs)	6/72	12/32	17/[illegible]2
Cigars, Cigarettes etc.	Per lb./retail selling price for 1000 cigarettes	11/-	11/-	14/-
Cigarettes	Weight and retail selling price	11/-	11/-	9/-to 22/-
Manufactured Tobacco	Weight per lb./retail selling price	11/-	11/-	13/25
Snuff	Per lb.	Nil	Nil	Nil
Matches	Per gross for 100 matches per box	1/44	-	-
	Per 7200 matches	-	6/50	-
	Per 7200 matches holding below 50 matches per container	-	-	6/50
Spirits	Per proof gallon	120/-	130/-	170/-
Wine	Per Gallon			
Sparkling		6/-	[illegible]/-	6/-
Non-Sparkling		1[illegible]/-	18/-	18/-
Mineral Waters	Per Gallon	Nil	Nil	Nil
Consumption Tax	Per Gallon	Nil	Nil	Nil
Biscuits	Per lb.	Nil	Nil	Nil
Soaps	Per 100 lbs.	Nil	Nil	Nil
Fabric	Per Sq. Yard	Nil	Nil	Nil
Paints, Varnishes etc.	Per 112 Lbs(Cwt)	Nil	Nil	Nil
Paints, Varnishes Cement based powder form	Per 112 Lbs(Cwt)	Nil	Nil	Nil

963/64	1964/65	1965/66	1966/67	1967/68	1968/69	1969/70
[illegible]8/-	288/-	306/-	306/-	342/-	342/-	2/25 per litre Sales Tax 1/- per litre
[illegible]8/-	[illegible]/-	306/-	306/-	342/-	[illegible]/-	1/50 per litre Sales Tax -/[illegible] per litre
-	-	1/60	1/60	1/60	2/00	Abolished. See Sales Tax.
17/92	21/1[illegible]	21/18	23/52	[illegible]	[illegible]	23/52 plus [illegible]0% Sales Tax
14/-	14/-	16/-	16/-	16/-	16/-	16/- plus 8/30 per lb. Sales Tax
[illegible]/-to 22/-	9/-to 2[illegible]/-	12/-to 17/25	12/-to 17/25	12/-to 17/25	14/[illegible] to 20/70**	14/50 to 56/- on retail price + Sales Tax of 5/5[illegible] to [illegible]/-
13/25	13/25	15/25	15/25	15/25	17/65	17/65 plus 20% Sales Tax
Nil	6/-	6/-	6/-	6/-	7/20	7/20 plus [illegible]% Sales Tax
-	-	-	-	-	-	-
-	-	-	5/-	5/-	5/-	5/- No Sales Tax
6/50	6/50	6/50	5/-	5/-	5/-	5/- No Sales Tax
170/-	170/-	170/-	170/-	170/-	170/-	170/- Plus 20% Sales Tax
6/-	6/-	6/-	6/-	6/-	6/-	[illegible]/- Plus 20% Sales Tax
1[illegible]/-	18/-	18/-	18/-	18/-	[illegible]	[illegible]/- Plus [illegible]0% Sales Tax
Nil	-/80	-/80	1/80	1/80	1/80	1/80
Nil	Nil	Nil	Nil	Nil	1/-	1/50 (Sales Tax)
Nil	Nil	Nil	-/25	-/25	-/25	-/2[illegible] Plus Sales Tax @10%
Nil	Nil	Nil	25/-	25/-	25/-	25/- Plus Sales Tax @10%
Nil	Nil	Nil	Nil	-/25	-/25	-/[illegible] Plus Sales Tax @15%
Nil	Nil	Nil	Nil	9/60	9/60*	9/60 Plus Sales Tax @10%
Nil	Nil	Nil	Nil	Nil	Nil	32/98 Plus Sales Tax @10%

	1961/62	1962/63	1963/64	1964/65	1965/66
Import Duties On :					
Grease	-/10 per lb.	-/10	-/10	-/10	-/10
Petroleum	-/75 per imp. gallon	1/50	1/50	1/85	1/95
Spares	15%	15%	25%	25%	30%

1966/67	1967/68	1968/69	1969/70	
-/10	-/10	-/10	-/10	(Plus 10% Sales Tax)
2/05	2/05	2/30	2/30	(Plus -/40 Sales Tax)
30%	30%	33.3%	33.3%	(Plus 15% Sales Tax)

EXCISE TARIFF RATES Cont.

ITEM	UNIT	1960/61	1961/62	1962/63	1963/64	1964/65	1965/66	1966/67	1967/68	1968/69	1969/70
Electricity		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	5 to 10% on Sales ***	5 to 10% on Sales
Entertainment		Nil	Nil	Nil	Sh 1/- per person per show	Sh.[illegible]/-	Sh.1/-	Shs.2/-	Shs.2/-	Shs.2/-	Shs. 2/-

* The tax on Vitreous enamel frit was abolished.

** The addition is graduated with retail prices ranging from Shs.85/- to 160/- per 1000 cigarettes.

*** The tax rate is graduated with monthly bill. Zero rate for below 20/- per month, 5% for 20/- to 100/- and 10% on over 100/- p.m.

	1960/61	1961/62	1962/63	1963/64	1964/65

SURANCE RELIEF

TES OF TAX :

	1960/61	1961/62	1962/63	1963/64	1964/65
irst 8,000/-	@ Shs. 2/-	@ Shs. 2/-	@ Shs. 2/-	@ Shs. 2/-	@ Shs. 2/-
ext 8,000/-	@ " 3/-	@ " 3/-	@ " 3/-	@ " 3/-	@ " 3/-
" 8,000/-	@ " 4/-	@ " 4/-	@ " 4/-	@ " 4/-	@ " 4/-
" 8,000/-	@ " 5/-	@ " 5/-	@ " 5/-	@ " 5/-	@ " 5/-
8,000/-	@ " 6/-	@ " 6/-	@ " 6/-	@ " 6/-	@ " 6/-
10,000/-	@ " 7/-	@ " 7/-	@ " 7/-	@ " 7/-	@ " 7/-
10,000/-	@ " 8/-	@ " 8/-	@ " 8/-	@ " 8/-	@ " 8/-
20,000/-	@ " 9/-	@ " 9/-	@ " 9/-	@ " 9/-	@ " 9/-
20,000/-	@ " 10/-	@ " 10/-	@ " 10/-	@ " 10/-	@ " 10/-
20,000/-	@ " 11/-	@ " 11/-	@ " 11/-	@ " 11/-	@ " 11/-
20,000/-	@ " 12/-	@ " 12/-	@ " 12/-	@ " 12/-	@ " 12/-
20,000/-	@ " 13/-	@ " 13/-	@ " 13/-	@ " 13/-	@ " 13/-
20,000/-	@ " 14/-	@ " 14/-	@ " 14/-	@ " 14/-	@ " 14/-
er 180,000/-	@ " 15/-	@ " 15/-	@ " 15/-	@ " 15/-	@ " 15/-

1965/66	1966/67	1967/68	1968/69	1969/70
Shs.3/- on Shs.20,000 to 40,000 of income	Shs.3/- on Shs.20,000 to 40,000 of income	Shs.3/- on Shs.20,000 to 40,000 of income	Shs.3/- on Shs.20,000 to 40,000 of income	Shs. 3/- on Shs.20,000 to 40,000 of income
First 20,000 @ 2/50	First 20,000 @ 2/50	First 20,000 @ 2/50	First 20,000 @ 2/50	First 20,000 @ 2/50
Next 20,000 @ 3/00	Next 20,000 @ 3/00	Next 20,000 3/00	Next 20,000 @ 3/00	Next 20,000 @ 3/00
Next 20,000 @ 5/00	Next 20,000 @ 5/00	Next 20,000 @ 5/00	Next 20,000 @ 5/00	Next 20,000 @ 5/00
Next 20,000 @ 7/-	Next 20,000 @ 7/00	Next 20,000 @ 7/00	Next 20,000 @ 7/00	Next 20,000 @ 7/00
Next 20,000 @ 8/-	Next 20,000 @ 8/00	Next 20,000 @ 8/00	Next 20,000 @ 8/00	Next 20,000 @ 8/00
Next 20,000 @ 9/-	Next 20,000 @ 9/00	Next 20,000 @ 9/00	Next 20,000 @ 9/00	Next 20,000 @ 9/00
Next 20,000 @10/-	Next 20,000 @10/00	Next 20,000 @10/00	Next 20,000 @10/00	Next 20,000 @10/00
Next 60,000 @11/-	Next 60,000 @11/00	Next 60,000 @11/00	Next 60,000 @11/00	Next 60,000 @11/00
Over 200,000 @12/-	Over 200,000 @12/00	Over 200,000 @12/-	Over 200,000 @12/-	Over 200,000 @12/-
Over 300,000 @12/-	Over 300,000 @12/00	Over 300,000 @13/-	Over 300,000 @13/-	Over 300,000 @13/-

VEHICLE TAXATION

VEHICLE LICENCES		1961/62	1962/63	1963/64
		Shs.	Shs.	Shs.
Cars	Tare			
	Below 10 Cwt.	120/-	120/-	120/-
	Below 15 Cwt.	120/-	120/-	120/-
	Below 20 Cwt.	120/-	120/-	120/-
	Below 30 Cwt.	240/-	240/-	240/-
	Below 35 Cwt.	240/-	240/-	240/-
	Below 40 Cwt.	240/-	240/-	240/-
	40 - 60 Cwt.	500/-	500/-	500/-
	60 - 80 Cwt.	900/-	900/-	900/-
	80 100 Cwt.	1100/-	1100/-	1100/-
	100 -200 Cwt.	1300/-	1300/-	1300/-
	Over 200 Cwt.	1300/-	1300/-	1300/-
Motor Cycels	Tare			
	Below 100 c.c.	30/-	30/-	30/-
	Below 100 "	40/-	40/-	40/-
	Below 250 "	40/-	40/-	40/-

Private Motor Vehicle Registration Tax and Import Duty	PMVRT.	I.D.	PMVRT	I.D.	PMVRT	I.D.
Below 1200 c.c.	Nil	15%	Nil	15%	Nil	25%
" 1400 "	"	15%	"	15%	"	25%
1400/1700 "	"	15%	"	15%	"	25%
1700/1800 "	"	15%	"	15%	"	25%
1800/2250 "	"	15%	"	15%	"	25%
Over 2250 "	"	15%	"	15%	"	25%
Pickups	"	15%	"	15%	"	25%
Used Vehicle Registration Tax						
Below 1200 c.c.	Nil	-	Nil	-	Nil	-
Below 1400 "	Nil	-	Nil	-	Nil	-
Below 1700 "	Nil	-	Nil	-	Nil	-
Below 1800 "	Nil	-	Nil	-	Nil	-
Below 2250 "	Nil	-	Nil	-	Nil	-
Over 2250 "	Nil	-	Nil	-	Nil	-

1964/65	1965/66	1966/67	1967/68	1968/69	1969/70
Shs.	Shs.	Shs.	Shs.	Shs.	Shs.
1[illegible]0/-	170/-	170/-	170/-	170/-	170/-
190/-	190/-	190/-	190/-	190/-	190/-
210/-	210/-	210/-	210/-	210/-	210/-
300/-	300/-	300/-	300/-	300/-	300/-
400/-	400/-	400/-	400/-	400/-	400/-
500/-	500/-	500/-	500/-	500/-	500/-
500/-	500/-	500/-	500/-	500/-	500/-
900/-	900/-	900/-	900/-	900/-	900/-
1100/-	1100/-	1100/-	1100/-	1100/-	1100/-
1300/-	1300/-	1300/-	1300/-	1300/-	1300/-
1300/-	2000/-	2000/-	2000/-	2000/-	2000/-
75/-	75/-	75/-	75/-	75/-	75/-
75/-	75/-	75/-	75/-	75/-	75/-
100/-	100/-	100/-	100/-	100/-	100/-

PMVRT	I.D.	PMVRT	I.D.	PMVRT	I.D.	PMVRT	I.D.	PMVRT	I.D.	PMVRT	ID
10%	25%	10%	30%	10%	30%	10%	30%	10%	33⅓%	25%	33.3
10%	25%	10[illegible]	30%	10%	30%	15%	30%	15%	45%	30%	45%
15%	25%	1[illegible]	30%	15%	30%	15%	30%	15%	45%	30%	45%
20%	25%	2[illegible]	30%	20%	30%	15%	30%	15%	45%	30%	45%
20%	25%	20	30%	20%	30%	20%	40%	20%	55%	40%	55%
20%	25%	20	30%	20%	30%	25%	50	25%	80%	50%	80
Nil	25%	Nil	30%	Nil	30%	Nil	Nil	Nil	-	25%	-

200/-	-	[illegible]00/-	-	200/-	-	300/-	-	300/-	-	300/-	-
200/-	-	200/-	-	200/-	-	600/-	-	600/-	-	600/-	-
400/-	-	400/-	-	600/-	-	600/-	-	600/-	-	600/-	-
600/-	-	600/-	-	600/-	-	600/-	-	[illegible]00/-	-	600/-	-
600/-	-	600/-	-	600/-	-	1000/-	-	1000/-	-	1000/-	-
600/-	-	600/-	-	600/-	-	1000/-	-	1500/-	-	1500/-	-

T A B L E   I

GROSS DOMESTIC PRODUCT AT CURRENT FACTOR COST

Industry		1960	1961	1962	1963	1964	1965	1966	1967	1968*		Percentage Change 1967/68	Annual Growth Rate 1960/68 (%)
Agriculture		2,256	2,282	2,485	2,787	2,805	2,651	2,895	2,896	2,934		+ 1.3	+ 3.3
Mining		104	110	103	88	121	121	159	161	111		- 31.1	+ 0.8
Primary Sector	63%	2,360	,	2,588	2,875	2,926	2,772	2,054	3,057	3,045	52%	- 0.4	+ 3.2
Manufacturing)	6%	109	139	154	156	194	234	283	332	377)		+ 13.6	+ 16.8
Construction)		91	117	122	124	154	151	172	208	221)	10%	+ 6.3	+ 11.7
Public Utilities)	6%	25	27	30	32	35	37	48	51	60)	6%	+ 17.6	+ 11.5
Commerce)	12%	419	445	484	517	600	658	767	780	853	14%	+ 9.3	+ 9.2
Rent)	4%	160	167	175	187	222	246	276	293	302)	6%	+ 3.0	+ 8.2
Transport)		175	171	188	188	197	216	247	275	298)		+ 8.4	+ 6.9
Services	9%	362	412	448	468	509	580	615	654	713	12%	+ 9.0	+ 8.8
Secondary and Tertiary Sectors		1,341	1,478	1,601	1,672	1,911	2,122	2,408	2,593	2,824	100	+ 8.9	+ 9.7
G.D.P.	100	3,701	3,870	4,189	4,547	4,837	4,894	5,462	5,650	5,869		+ 3.9	+ 5.9
(Index 1960=100.0)		100.1	104.6	113.2	112.9	130.7	132.2	147.6	152.7	158.6			

Source - Central Statistical Bureau

*Provisional

INDUSTRY		1960-62	1963
MONETARY HOUSEHOLD/ENTERPRISE SECTOR			
Agriculture :	Value Mln. Shs.	935	1,063
	Index	96	109
Mining :	Value Mln. Shs.	105	85
	Index	103	83
Manufacturing	Value Mln. Shs.	124	151
	Index	119	145
Construction :	Value Mln. Shs.	52	53
	Index	118	120
Public Utilities	Value Mln.Shs.	21	24
	Index	106	120
Commerce :	Value Mln. Shs.	416	469
	Index	99	112
Rent :	Value Mln. Shs.	75	79
	Index	103	108
Transport :	Value Mln. Shs.	76	86
	Index	98	111
Services :	Value Mln. Shs.	143	145
	Index	102	104

TABLE II

GROSS DOMESTIC PRODUCT AT 1960 CONSTANT PRICES (Index 1960-100)

1964	1965	1966	1967	1968	CHANGE 1967-68 %	ANNUAL GROWTH 1960/2-1968 (%)
1,172	1,210	1,342	1,334	1,300	- 2.5	+ 4.8
121	124	137	137	134	- 2.5	+ 4.8
96	115	123	117	100		
94	111	120	114	97	-14.[illegible]	- 0.9
		SELECTED ESTIMATES				
162	178	204	227	256		
155	171	197	218	247	+13.3	+ 10.9
59	67	69	79	84		
135	152	157	181	192	+ 6.1	+ 7.0
24	26	31	35	39		
123	132	158	177	196	+10.7	+ 9.1
528	548	610	598	633		
126	131	146	143	152	+ 5.8	+ 6.2
85	90	92	97	98		
117	123	126	132	133	+ 1.0	+ 3.8
95	97	111	119	127		
122	124	143	153	164	+ 6.7	+ 7.6
152	152	159	170	177		
109	109	114	122	127	+ 4.1	+ 3.0

TABLE II (Cont).

Industry		1960-62 Average	1963	1964	1965	1966	1967	1968	Change 1967-68 (%)	Annual Growth 1960/62-1968 (%)
Total	Value Mln. Shs.	1,947	2,155	2,373	2,483	2,741	2,776	2,814		
	Index	100	100	121	127	140	142	144	+ 1.4	+ 5.3
Public Sector :	Value Mln. Shs.	528	545	577	576	584	602	638		
	Index	105	109	109	113	116	119	126	+ 6.0	+ 2.8
Monetary G.D.P.	Value Mln. Shs.	2,475	2,700	2,920	3,050	3,325	3,378	3,452		
	Index	101	110	119	124	135	138	141	+ 2.2	+ 4.8
Subsistence :	Value Mln. Shs.	1,198	1,232	1,274	1,221	1,344	1,401	1,428		
	Index	96	99	102	98	107	112	115	+ 2.0	+ 2.2
G.D.P.	Value Mln. Shs.	3,673	3,921	4,194	4,271	4,669	4,779	4,880		
	Index	99	106	113	115	126	129	132	+ 2.1	+ 4.2

Source - Central Statistical Bureau.

TABLE III

GROSS FIXED CAPITAL FORMATION

By Sector

(At Current Market Prices)

SECTOR	1960-62 (Mln.Shs)	1963 (Mln.Shs.)	1964 (Mln.Shs)	1965 (Mln.Shs)	1966 (Mln.Shs)	1967 (Mln.Shs)	1968 * (Mln.Shs)	Percentage Change 1967-1968	Growth Rate 1960/62-68 Percentage
HOUSEHOLD/ENTERPRISE :									
Building	122	118	142	155	157	163	183	+ 12.3	+ 7.2
Construction	35	43	49	86	51	66	29	- 56.1	- 2.7
Machinery & Equipment	158	161	188	275	377	387	431	+ 11.4	+ 15.4
Total	305	327	379	516	585	616	643	+ 4.4	+ 11.2
PUBLIC									
Building	57	50	64	99	82	84	104	+ 23.8	+ 9.0
Construction	106	96	100	110	139	183	214	+ 16.9	+ 10.6
Machinery & Equipment	26	12	28	40	49	120	84	- 30.0	+ 18.2
Total	189	158	192	249	270	387	402	+ 3.9	+ 11.4
Grand Total	494	485	571	765	855	1,003	1,045	+ 4.2	+ 11.3
Monetary G.D.P.	2,799	3,342	3,801	3,948	4,418	4.625	4,828	+ 4.4	+ 8.1
Percentage Share of Gross Investment in G.D.P. at current market prices	18.0	14.5	15.0	19.4	19.4	21.7	21.6	-	-

Source - Central Statistical Bureau

*Provisional

Data Excludes Tanzania's share in East African Airways VC-10s and East African National Shipping Lines vessesls : Approximately Shs.40 million in 1966 and Shs.25 million in 1967,

TABLE V

TANZANIA MAINLAND (POPULATION AND CONSUMPTION)

YEAR	POPULATION (Million)	PRIVATE CONSUMPTION (Million)	PER CAPITA CONSUMPTION (p.a.)
1960/62	9.4	Shs. 3482/-	Shs. 370/-
1963	9.8	" 3640/-	" 382/-
1964	10.0	" 3666/-	" 366/-
1965	10.2	" 3696/-	" 362/-
1966	10.4	" 4012/-	
1967	12.2	" 4112/-	
1968	12.4	" 4371/-	
1969	12.6		
1970	12.9		
1975	14.7		

TABLE IV

GROSS FIXED CAPITAL FORMATION

By Type of Asset

(At Current Market Prices)

ASSET	1960-62 (Mln.Shs)	1963 (Mln.Shs)	1964 (Mln.Shs)	1965 (Mln.Shs)	1966 (Mln.Shs)	1967 (Mln.Shs.)	1968* (Mln.Shs)	Percentage Change 1967/68	Annual Growth Rate 1960/62 - 1968 (%)
BUILDING									
Residential	80	68	101	122	95	110	114	+ 3.6	+ 5.3
Non-Residential	88	100	105	132	144	138	173	+25.4	+10.1
Total	168	168	206	254	239	248	287	+15.7	+ 8.0
CONSTRUCTION									
Water Supplies	23	20	30	43	26	26	40	+53.8	+ 8.2
Communications ɪ	32	29	26	38	62	79	99	+25.3	+17.5
Railways & Harbours	42	24	24	15	17	24	18	-25.0	-11.4
Other	44	65	69	100	85	121	86	-28.9	+10.0
Total	141	138	149	196	190	250	243	- 2.8	+ 8.1
EQUIPMENT									
Transport	62	59	89	107	176	242	221	- 8.7	+19.9
Machinery	123	120	127	208	250	263	294	+11.8	+13.3
Total	185	179	216	315	426	505	515	+ 2.2	+15.7
Grand Total	495	485	571	765	855	1,003	1,045	+ 4.2	+11.3

Source - Central Statistical Bureau. *Provisional. ɪ Excluding Railways.

TABLE VI

FINANCING OF DEVELOPMENT PLAN 1964/65
to 1968 - 69

ITEM	PLANNED SCHEME OF FINANCE shs. (M)	%	1964/65 shs.(M)	%	1965/66 shs.(M)	%	1966/67 shs.(M)	%	1967/68 shs.(M)	%	1968/69 shs. (M)	Total shs. (M)	1964/69 %
Internal (Recurrent surplus, Borrowing etc.)	450	22.0%	125.30	61.5	154.57	64.9	167.13	56.7	261.29	75.5	237.54	945.8	65.2
External (Grants and loans)	1590	78.55	78.0	38.5	83.50	135.1	127.27	43.3	84.62	24.5	122.81	496.7	34.8
TOTAL	2040	100.0	203.85	100.0	238.07	100.0	294.40	100.0	345.91	100.0	360.35	1442.5	100.0

TABLE VII

FINANCING OF DEVELOPMENT PLAN 1964/65 to 1968/69

ITEM	PLANNED SCHEME OF FINANCE Shs.(M)	%	1964/65 Shs.(M)	%	1965/66 Shs.(M)	%	1966/67 Shs.(M)	%	1967/68 Shs.(M)	%	1968/69 Shs.(M)	TOTAL 1964/69 Shs.(M)	%
Internal (Recurrent Surplus, Borrowing etc).	450	22.0	125.30	61.5	154.57	64.9	167.13	56.7	261.29	75.5	237.54	945.8	65.2
External (Grants and Loans)	1590	78.0	78.55	38.5	83.50	35.1	127.27	43.3	84.62	24.5	122.81	496.7	34.8
TOTAL	2040	100.0	203.85	100.0	238.07	100.0	294.40	100.0	345.91	100.0	360.35	1442.5	100.0

TABLE VIII

LOCAL AUTHORITIES REVENUE : TANZANIA MAINLAND.

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
URBAN TOWN COUNCILS :										
General Rate, Urban House Tax etc.	8.78	9.95	10.22	14.26	15.16	16.66	15.18	16.44		
Assigned Revenues	1.21	3.44	3.50	4.84	5.54	6.14	7.02	7.85		
Licences, Fees & Charges	6.76	6.18	8.18	7.50	9.26	8.05	11.46	12.11		
Grants	6.23	5.92	5.04	4.82	8.84	14.31	16.89	17.70		
Surplus	0.30	0.44	0.70	0.18	0.32	3.00	5.15	3.40		
TOTAL	23.28	25.93	27.64	31.60	39.12	48.16	55.70	57.50		

TABLE VII(a) PUBLIC SAVINGS (i.e. RECURRENT BUDGET SURPLUS,)

	Shs. (Actual)	(Planned)
1960/61	5.000	Nil
1961/62	Nil	Nil
1962/63	7.00	Nil
1963/64	15.00	Nil
1964/65	62.42	40.00
1965/66	9.71	40.00
1966/67	44.46	26.00
1967/68	64.50	34.00
1968/69 (Est)	97.62	32.00
1969/70 (Est)	80.00	(80.00)

TABLE VII (b)

RECURRENT EXPENDITURE

	Planned	Actual
1960/61	414.36	420.28
1961/62	(432.99)	494.20
1962/63	(451.43)	471.70
1963/64	(471.77)	542.30
1964/65	658.86	614.16
1965/66	696.60	706.54
1966/67	740.20	582.29
1967/68	783.96	928.52
1968/69	831.50 (Est)	1048.60

TABLE VIII (Cont.)

	1960	1961	1962	1963	1964	1965	1966	1967	1968
RURAL DISTRICT COUNCILS									
Local Rate	41.88	48.76	39.46	41.34	80.62	82.74	81.20	90.41	
Produce Cess	–	11.10	7.12	7.42	20.30	16.96	21.58	14.60	
Grants	7.80	8.80	24.90	23.70	35.20	43.73	46.16	49.54	
Other Recurrent Revenue	27.36	39.14	36.88	38.56	62.16	29.27	36.06	35.44	
Non-Recurrent Revenue	3.18	2.12	1.56	1.60	3.10	10.29	6.37	4.63	
TOTAL	80.22	109.92	109.92	112.62	201.38	182.99	191.37	194.62	
GRAND TOTAL	103.50	135.85	137.56	144.22	240.50	231.15	247.07	252.12	
GRAND TOTAL EXCLUDING GRANTS	88.47	121.13	107.62	115.70	196.46	173.11	184.02	184.88	

TABLE IX

ZANZIBAR RECURRENT REVENUE+

	1964/65	1965/66	1966/67	1967/68 Est.	1968/69 Est.
Customs	31.6	45.81	34.10	12.80	15.29
Subvention*	–	–	–	14.40	14.40
Licences and Internal Revenue**	6.15	6.31	3.56	0.87	1.13
Fees, Charges, Interest & Profit etc.	10.97	18.87	21.16	22.31	24.17
Reimbursements	–	0.19	0.14	0.20	0.08
	48.18	71.18	58.96	50.58	55.07

** Includes income tax proper

+ Statistics for the pre-union fiscal years (prior to July 1964, the Union being effective as from 30th April, 1964) have been excluded from this study.

* Customs & Excise became unified as from 14th June 1967.

TABLE X

EAST AFRICAN COMMUNITY: GENERAL FUND REVENUES

Shs.Mln.

ITEM	1961/62	1962/63	1963/64	1964/65	1965/66	1966/67	1967/68	1968/69 Rev.Est.	1969/70 (Est)
General Fund Resources	38.82	40.06	50.10	56.62	61.32	74.02	73.44	145.99	154.96
Distributable Pool	33.94	33.80	31.84	33.18	40.42	43.04	41.70		0.07
External Grants	27.12	27.00	29.58	29.78	30.48	29.88	10.80	9.78	15.25
Internal Grants	9.58	5.40	6.00	3.92	2.62	3.95	3.94	49.11	64.54
Revenue from Property, Investment, Loan Funds, etc.	13.92	15.16	5.78	9.72	13.14	14.64	15.50	24.30	40.47
Reimbursements	5.96	1.66	2.92	3.76	4.62	4.82	14.36	3.87	18.96
	129.34	133.08	126.22	136.98	152.60	170.36	159.74	233.05	294.25

TABLE XII B

ASSESSMENT OF SELF-EMPLOYED INDIVIDUALS
INCOME BRACKETS

	1960/61/62 No.	C.I.	1961/62/63 No.	C.I.	1962/63/64 No.	C.I.	1963/64/65 No.	C.I.	1964/65/66 No.	C.I.	1965/66/67 No.	C.I.	1966/67/68 No.	C.I.
NIL*	1046	Nil	1006	-	802	-	738	-	589	-	491	-	342	-
Below 10,000*	2704	9.86	2420	9.24	2452	9.18	2676	9.88	3237	11.78	4340	[illegible]	4716	20.88
Below 20,000*	1754	24.66	1717	24.58	1876	26.46	2105	29.50	2348	31.78	1648	23.16	1773	25.08
Below 30,000*	317	8.68	333	9.00	285	7.82	325	[illegible]	367	10.02	674	16.24	776	18.86
Below 40,000	194	6.84	220	7.82	205	7.34	199	7.08	231	8.22	373	12.94	420	14.46
Below 50,000	167	7.32	189	8.42	164	7.24	179	7.96	196	8.74	234	10.40	264	11.68
Below 60,000	93	5.02	96	5.22	107	5.86	101	5.64	120	6.60	154	8.38	160	8.70
Below 70,000	64	4.16	59	3.72	72	4.68	75	4.78	90	5.84	97	6.24	103	6.64
Below 80,000	46	3.46	34	[illegible]	43	3.20	58	4.34	68	5.10	70	5.22	65	4.84
Below 200,000	109	12.56	112	[illegible]	107	12.12	140	16.10	40	16.34	211	[illegible]	[illegible]	[illegible]
Over 200,000	17	5.18	14	4.54	15	3.72	11	3.62	132	5.78	26	6.80	60	1.48
TOTAL	6511	87.74	6200	[illegible]	[illegible]	87.62	6618	98.12	7418	110.20	8318	[illegible]	5052	134.82

C.I. means Chargeable Income in shillings.

* There is no exact overlap of the above chargeable income brackets for the whole period 1960 - 1966 because actual brackets of chargeable income for 1960-64 were below Shs. 0.8000; 16.000; 24,000; and Shs.32,000 not those shown above.

TABLE XIIA

ASSESSMENT OF EMPLOYEES (INCOME BRACKETS)
INCOME TAX PROPER

	1960/61/62 No.	C.I.	1961/62/63 No.	C.I.	1962/63/64 No.	C.I.	1963/64/65 No.	C.I.	1964/65/66 No.	C.I.	1965/66/67 No.	C.I.	1966/67/68 No.	C.I.
NIL	665	-	670	-	719	-	689	-	578	-	214	-	[illegible]	-
Below 10,000	5190	18.38	4466	16.40	4811	18.00	4801	18.32	5735	21.80	1469	7.10	1506	7.34
Below 20,000	4292	64.72	3988	61.06	4074	61.40	3817	56.30	3963	57.42	923	13.20	986	14.48
Below 30,000	1023	27.84	1170	32.22	1163	32.14	1020	28.20	1050	29.14	1328	33.32	1303	32.88
Below 40,000	484	17.22	686	24.48	738	26.26	742	26.42	780	28.72	1129	39.22	1222	42.44
Below 50,000	263	11.66	407	18.06	548	24.26	543	24.16	626	27.80	727	32.40	826	36.84
Below 60,000	132	7.18	194	10.58	245	13.30	254	13.74	357	19.42	418	22.80	466	25.36
Below 70,000	71	4.50	102	6.60	135	8.66	138	8.98	193	12.48	222	14.32	278	17.84
Below 80,000	39	2.90	53	3.92	70	5.16	83	6.22	96	7.18	116	8.62	152	11.42
Below 200,000	104	11.88	110	12.96	151	15.60	142	15.98	219	20.84	255	32.78	265	31.48
Over 200,000	23	8.16	23	8.08	23	6.86	26	9.94	31	10.76	42	13.78	27	7.98
TOTAL.	12,286	174.54	11869	194.36	12677	211.64	12255	208.26	13618	235.56	6873	217.54	7031	228.06

TABLE X

EAST AFRICAN COMMUNITY: GENERAL FUND REVENUES

Shs.Mln.

ITEM	1961/62	1962/63	1963/64	1964/65	1965/66	1966/67	1967/68	1968/69 Rev.Est.	1969/70 (Est)
General Fund Resources	38.82	40.06	50.10	56.62	61.32	74.02	73.44)	145.99	154.96
Distributable Pool	33.94	33.80	31.84	33.18	40.42	43.04	41.70)		0.07
External Grants	27.12	27.00	29.58	29.78	30.48	29.88	10.80	9.78	15.25
Internal Grants	9.58	5.40	6.00	3.92	2.62	3.96	3.94	49.11	64.54
Revenue from Property, Investment, Loan Funds, etc.	13.92	15.16	5.78	9.72	13.14	14.64	15.50	24.30	40.47
Reimbursements	5.96	1.66	2.92	3.76	4.62	4.82	14.36	3.87	18.96
	129.34	133.08	126.22	136.98	152.60	170.36	159.74	233.05	294.25

TABLE XIIA

ASSESSMENT OF EMPLOYEES (INCOME BRACKETS)
INCOME TAX PROPER

	1960/61/62		1961/62/63		1962/63/64		1963/64/65		1964/65/66		1965/66/67		1966/67/68		1967/68/69	
	No.	C.I.	No.	C.I.	No.	C.I.	No.	C.I.	No.	C.I.	No.	C.I.	No.	C.I.	No.	C.I.
NIL	665	-	670	-	719	-	689	-	578	-	214	-	1[illegible]4	-		
Below 10,000	5190	18.38	4466	16.40	4811	18.00	4801	18.32	5735	21.80	1469	7.10	1506	7.34		
Below 20,000	4292	64.72	3988	61.06	4074	61.40	3817	56.30	3963	57.42	923	13.20	986	14.48		
Below 30,000	1023	27.84	1170	32.22	1163	32.14	1020	28.20	1050	29.14	1328	33.32	1303	32.88		
Below 40,000	484	17.22	686	24.48	738	26.26	742	26.42	780	28.72	1129	39.22	1222	42.44		
Below 50,000	263	11.66	407	18.06	548	24.26	543	24.16	626	27.80	727	32.40	826	36.84		
Below 60,000	132	7.18	194	10.58	245	13.30	254	13.74	357	19.42	418	22.80	466	25.36		
Below 70,000	71	4.50	102	6.60	135	8.66	138	8.98	193	12.48	222	14.32	278	17.84		
Below 80,000	39	2.90	53	3.92	70	5.16	83	6.22	96	7.18	116	8.62	152	11.42		
Below 200,000	104	11.88	110	12.96	151	15.60	142	15.98	219	20.84	255	32.78	265	31.48		
Over 200,000	23	8.16	23	8.08	23	6.86	26	9.94	31	10.76	42	13.78	27	7.98		
TOTAL.	12,286	174.54	11869	194.36	12677	211.64	12255	208.26	13618	235.56	6873	217.54	7031	228.06		

TABLE XII B

ASSESSMENT OF SELF-EMPLOYED INDIVIDUALS
INCOME BRACKETS

	1960/61/62		1961/62/63		1962/63/64		1963/64/65		1964/65/66		196[illegible]/67		1966/67/68		1967/68/69	
	No.	C.I.	No.	C.I.	No.	C.I.	No.	C.I.	No.	C.I.	No.	C.I.	No.	C.I.	No.	C.I.
NIL*	1046	Nil	1006	-	802	-	738	-	589	-	491	-	342	-		
Below 10,000*	2704	9.86	2420	9.24	2452	9.18	2676	9.88	3237	11.78	434[illegible]	[illegible]	4[illegible]16	20.88		
Below 20,000*	1754	24.66	1717	24.58	1876	26.46	2105	29.50	23[illegible]	[illegible]1.78	1648	23.16	1773	25.08		
Below 30,000*	317	8.68	333	9.00	285	7.82	335	[illegible].22	367	10.02	674	16.24	776	18.86		
Below 40,000	194	6.84	220	7.82	205	7.34	199	7.08	231	8.22	373	12.94	420	14.46		
Below 50,000	167	7.32	189	8.42	164	7.24	179	7.96	196	8.74	234	10.40	264	11.68		
Below 60,000	93	5.02	96	5.22	107	5.86	101	5.64	120	6.60	154	8.38	160	8.70		
Below 70,000	64	4.16	59	3.72	72	4.68	75	4.78	90	5.84	97	6.24	103	6.64		
Below 80,000	46	3.46	34	[illegible].50	43	3.20	58	4.34	68	5.10	70	5.22	65	4.84		
Below 200,000	109	12.56	112	[illegible]	[illegible]	12.12	140	16.10	40	16.34	211	[illegible]	[illegible]	22.[illegible]0		
Over 200,000	17	5.18	14	4.54	[illegible]	3.72	11	3.62	132	[illegible].78	26	[illegible].80	60	1.48		
TOTAL	6511	87.74	[illegible]200	87.7[illegible]	[illegible]	[illegible]7.62	6618	[illegible]8.12	7418	110.2[illegible]	[illegible]318	1[illegible]2.80	5052	134.82		

C.I. means Chargeable Income in shillings.

* There is no exact overlap of the above chargeable income brackets for the whole period 1960 - 1966 because actual brackets of chargeable income for 1960-64 were below Shs. 0.8000; 16.000; 24,000; and Shs.32,000 not those shown above.

TABLE XII C

ASSESSMENT OF EMPLOYEES : SECTORAL CLASSIFICATION

	1960/61/62	1961/62/63	1962/63/64	1963/64/65	1964/65/66	1965/66/67	1966/67/68	1967/68/69
Agriculture	0.520	0.200	0.380	0.080	0.100	0.320	0.240	
Trade	4.300	4.740	5.940	4.460	4.580	7.540	8.400	
Pension	1.020	0.720	2.480	2.120	2.100	1.860	1.840	
Salary	289.260	294.200	313.780	311.260	342.880	242.680	276.440	
Quarters	7.500	11.940	12.060	11.640	11.220	8.400	8.540	
Rents	5.400	5.620	5.300	5.300	5.540	5.720	7.360	
Dividends	20.640	33.680	22.920	23.300	23.860	31.800	8.580	
Interest	1.940	1.860	8.140	5.100	3.340	1.780	1.440	
Other Income	3.040	2.940	2.780	2.900	2.840	2.300	4.320	
Aggregate Income	333.620	345.900	373.780	366.160	396.460	302.400	317.160	
Deductions(interest paid, losses, retirement, benefits,etc	9.120	9.040	8.940	7.980	6.960	2.920	3.160	
Actual Income	324.500	336.860	364.840	358.180	389.500	299.480	314.000	
Personal Allowances	149.960	142.500	153.200	149.920	153.940	81.940	85.920	
Chargeable Income	174.540	194.360	211.640	208.260	235.560	217.540	228.080	
Total Tax Assessed	33.560	38.540	41.920	43.560	50.140	38.620	52.280	
Life Assurance Relief	0.560	0.700	0.780	0.840	0.980	0.240	0.300	

TABLE XII (D)

ASSESSMENT OF SELF EMPLOYED INDIVIDUALS : SECTORAL CLASSIFICATION

	1960/61/62	1961/62/63	1962/63/64	1963/64/65	1964/65/66	1965/66/67	1966/67/68	1967/68/69
Agriculture	10.32	5.32	5.18	4.48	6.74	4.26	4.14	
Trade	99.86	100.76	103.04	109.54	113.76	[illegible]	135.80	
Pension	9.78	11.90	13.66	16.20	[illegible]	24.04	24.86	
Salary	8.08	11.92	8.52	8.00	8.96	11.32	10.74	
Benefits	0.26	0.20	0.16	0.12	0.14	0.12	0.08	
Rents	14.38	13.80	12.98	13.92	13.92	14.96	15.12	
Dividends	11.94	14.54	9.22	14.46	14.40	12.48	2.10	
Interest	2.26	2.00	2.46	3.24	3.66	3.32	2.60	
Other Income	4.56	1.56	3.16	2.64	2.02	1.60	2.18	
	161.84	162.00	158.38	172.60	184.20	203.58	207.62	
Deductions	34.34	7.56	5.18	4.00	5.02	2.70	2.50	
Actual Income	155.78	154.44	153.20	168.60	179.18	200.88	205.12	
Personal Allow.	68.04	66.82	65.58	70.48	68.98	68.08	70.30	
Chargeable Inc.	87.74	87.76	87.62	98.12	110.20	132.80	134.82	
Total Tax Assessed.	19.26	19.28	18.64	21.26	23.72	32.76	28.32	
Life Assurance Relief	0.32	0.32	0.38	0.50	0.46	0.22	0.24	

TABLE XII

ASSESSMENT OF COMPANY INCOME TAX/CORPORATION TAX IN TANZANIA MAINLAND

	1960/61/62			1961/62/63			1962/63/64			1963/64/65			1964/65/66			1965/66/67			1966/67/68			1967/68/69		
	No. Assessed	Actual Income	Tax Payable	No. Assessed	Actual Income	Tax Payable	No. Assessed	Actual Income	Tax payable	No. Assessed	Actual Income	Tax payable	No. Assessed	Actual Income	Tax payable	No. Assessed	Actual Income	Tax payable	No. Assessed	Actual Income	Tax payable	No. Assessed	Actual Income	Tax payable
griculture	193	82.74	22.76	193	58.62	17.68	159	55.80	28.06	170	117.20	40.24	183	93.02	36.80	190	31.68	11.84	155	30.18	12.04			
ining	21	30.22	8.32	23	36.02	13.42	17	36.40	13.38	14	25.40	9.28	13	61.08	24.42	16	58.24	21.84	20	32.62	13.04			
anufacture	92	11.82	3.26	92	23.60	6.88	96	23.56	8.42	78	22.36	0.63	127	44.14	16.76	121	58.72	21.36	133	66.74	26.68			
onstruction	36	4.38	1.20	33	4.86	1.34	30	4.60	1.72	30	4.22	1.58	38	8.24	2.36	50	0.84	3.68	42	9.98	3.96			
lectricity	4	6.38	1.76	2	5.80	2.12	3	6.12	2.20	2	9.26	13.36	1	0.02	-	4	-	-	8	14.52	5.80			
holesale & etail Trade	329	19.34	5.32	341	41.58	13.86	325	43.92	16.44	298	37.88	1[illegible].14	401	49.44	19.66	420	67.46	25.30	465	77.40	30.92			
inance	69	14.38	3.94	64	12.40	4.06	63	7.24	2.40	48	6.22	2.32	59	5.74	2.24	52	9.82	2.92	66	15.00	5.70			
eal Estate	121	5.40	1.48	113	6.24	1.72	104	5.76	2.04	99	6.38	2.30	98	3.22	1.98	104	5.14	1.92	105	3.90	1.54			
ansport	36	6.92	1.80	41	7.20	[illegible].42	45	8.50	3.18	43	8.96	3.36	62	9.12	3.24	68	8.02	3.00	71	11.08	4.40			
ervices	115	2.72	0.74	103	2.72	0.86	118	3.28	1.22	95	4.08	1.52	103	3.74	1.48	119	5.22	1.96	111	4.40	1.74			
iscellaneous	129	8.72	2.38	114	25.32	7.08	99	4.14	1.40	91	5.90	1.98	88	5.18	1.84	89	2.60	0.96	90	3.78	1.34			
TOTAL	1,145	193.02	52.96	1,119	224.36	71.34	1,059	199.32	80.46	968	247.86	90.71	1173	234.94	110.78	1233	247.74	94.78	1266	269.60	107.16			

TABLE 13A

NUMBER OF TAXPAYERS AND YIELD PER INCOME BRACKET *
PERSONAL TAX REVENUE

INCOME BRACKET Shs.p/a.	1959 NUMBER OF TAXPAYERS	1959 YIELD (Shs.Mln)	1963 NUMBER	1963 YIELD	1964 NUMBER	1964 YIELD	1965 NUMBER	1965 YIELD	1966 NUMBER	1966 YIELD	1967 NUMBER	1967 YIELD
Below Shs. 2,000	1,539,000	18,460	-	-	-	-						
" " 3,000	81,000	1.620	71,201	1.424	85,764	1.716						
" " 4,000	26,000	0.780	23,338	0.934	32,227	1.288						
" " 5,000	10,000	0.500	13,174	0.790	20,738	1.244						
" " 6,000	6,300	0.380	8,809	0.792	12,982	1.168						
" " 8,000	5,400	0.540	6,938	1.249	8.571	1.542						
" " 10,000			4,180	1.045	5,798	1.550						
" " 12,000	5,300	0.800	3,072	1.075	4.265	1.492						
" " 14,000	15,700	2.840	4,044	1.820	4.034	1.816						
" " 16,000			1,267	0.665	2,750	1.460						
Over " 16,000			10,403	6.242	13,692	8.400						
TOTAL	1,688,700	25.920	146,426	16.036	190,821	21.676						

Source : Treasury.

* Excluding Central Government and E.A. Common Services/E.A. Communities & Corporation Employees.

TABLE 13 B

NEW PERSONAL TAX ASSESSMENTS

INCOME BRACKET		TAX RATE		No. ASSESSED JUNE 1968		TAX ASSESSED JUNE 1968	No. ASSESSED JUNE 1969		TAX ASSESSED JUNE 1969 (Shs.)
Non. Agric.	Agriculture	Non. Agric. Shs.	Agric. Shs.	Non. Agric.	Agric.	Shs.	Non.Agric.	Agric.	Shs.
2000-3000	2000 - 3000	30/-	25/-	39,458	19,021	2,911,563	91,951	20,483	3,372,388
3000-3492	3000 - 4000	60/-	50/-	17,891	7,442	1,431,126	20,083	7,889	1,570,864
3492-3900	4000 - 5000	96/-	90/-	20,829	3,598	1,745,533	13,428	4,032	1,626,024
3900-4320	5000 - 6000	96/- Plus 10%	140/-	20,788	171	974,414	8,979	61	1,067,927
4320-10,200	6000 -18000	138/- Plus " 15%	275/- to	36,491	3,258	17,301,776	41,527	3,959	20,407,139
10200-24,320	18000 and	2432/-	900/-	12,702	1	9,671,023	14,513	-	19,721,250
24320& Over	Over	2432/- Plus 4.5%	1000/-	7,387	1	22,550,704	8,106	-	23,289,960
				155,546	33,492	56,586,139	198,587	36,424	71,055.552

Where income of over 100,000 is derived from non.agric. sources, the whole of income shall be taxed at that rate.

6.000	- 8,000	Shs.275/-
8,000	- 10,000	" 375/-
10,000	- 12,000	" 500/-
12,000	- 14,000	" 650/-
14,000	- 16,000	" 750/-
16,000	- 18,000	" 900/-

IMPORT D

SITC	I T E M S	1960
0	Sugar Other Food Products	7.90
1	Wine	0.84
	Ale, Beer, Cider and Non-Alcoholic beverages	0.60
	Distilled alcoholic beverages	7.94
	Tobacco, unmanufactured Tobacco manufactured (including snuff & Cigars)	2.66
	Cigarettes	0.94
2	Crude Materials, inedible, except fuels	0.06
3	Mineral Fuels, Lubricants and Related Products	21.80
4	Animal and Vegetable Oils and fats	0.96
5	Chemicals, including soaps, dyeing and twnning material	2.88
6	Manufacturers of Leather Manufacturers of Wood and Cork	0.48
	Manufacturers of Rubber	3.40
	Manufacturers of Paper and Paperboard	1.12
	Textile Yarn, Fabric and made-up articles	54.83
	Non-Metalic Mineral Manufacturers	1.40
	Iron and Steel	1.14
	Non-ferrous Metals	-
	Manufacturer of Metals	2.08
7	Machinery non-electrical	1.32
	Electrical Machinery, Apparatus & Appliances	2.46
	Transport Equipment	15.16
8	Clothing Footwear	7.44
	Matches Other Miscellaneous Articles	6.72

ABLE 14

UTY COLLECTIONS TANZANIA
AINLAND

1961	1962	1963	1964	1965	1966	1967 *	1968 *
10.08	12.23	10.83	0.04	0.02	0.02	0.04	2.60
			10.34	13.84	14.78	17.84	30.04
0.86	0.72	0.84	0.92	1.06	1.54	1.02	1.66
0.74	0.70	0.82	1.00	2.14	1.86	1.32	0.80
8.52	8.20	7.30	8.08	7.70	8.00	8.08	10.04
2.20	1.64	1.32	1.22	1.24	0.80	0.94	0.80
			0.26	0.24	0.24	0.24	1.00
1.14	1.04	0.36	0.72	0.56	0.66	0.54	0.76
0.10	0.20	0.36	0.68	1.22	1.40	1.48	3.92
27.10	43.08	54.14	65.52	73.54	85.40	93.50	104.48
1.14	1.30	1.58	0.06	0.08	0.44	0.16	0.14
3.46	3.92	4.70	6.06	7.34	8.05	8.18	10.10
0.42	0.48	0.68	0.12	0.12	0.14	0.12	0.30
			0.34	0.20	0.50	0.36	0.44
3.28	4.14	4.84	3.93	4.52	6.02	6.98	10.90
1.26	1.58	1.86	2.28	2.46	2.62	3.12	4.02
54.92	64.90	72.42	81.78	79.26	111.03	78.78	93.38
1.26	1.06	1.42	1.32	1.70	2.18	1.74	3.18
0.96	0.92	0.76	2.52	2.46	2.46	2.36	3.04
-	-	-	0.36	0.40	0.24	0.34	0.04
1.86	2.20	3.02	3.50	4.74	5.54	5.02	7.22
1.38	1.32	2.10	2.20	3.50	4.16	3.12	4.34
2.86	3.66	4.68	7.02	7.52	9.22	8.66	10.20
9.88	11.54	18.92	21.38	23.08	35.74	32.04	43.56
7.34	8.18	10.64	8.50	8.74	9.90	6.56	21.00
			1.26	1.40	1.52	1.08	2.50
7.82	8.26	8.46	3.12	2.56	0.88	0.30	0.60
			6.60	7.54	19.96	9.76	14.00

SITC	I T E M S	1960	1961	1962	1963	1964	1965	1966	1967*	1968*
9	Postal Packages and Other Transactions	7.76	8.94	11.60	8.28	8.94	12.80	14.86	13.28	19.30
	TOTAL	152.94	157.52	192.[illegible]	220.88	250.10	271.98	338.32	307.56	404.36
	ADJUSTMENTS	-	-	-	-	-	-	- 4.92	+ 2.18	- 4.28
	NET REVENUE							333.40	309.74	400.08

Source : Monthly Trade and Revenue Reports 1960 - 1968.

* Includes Zanzibar Statistics as from 14/6/67 ; all other data relate to Tanzania Mainland only because the unification of formerly separate Customs and Excise Departments of Zanzibar and Tanzania mainland became effective on 14th June, 1967.

TABLE 15

NET EXCISE REVENUE

ITEM	1960	1961	1962	1963	1964	1965	1966	1967	1968
Beer	10.92	13.10	16.64	20.40	23.12	23.32	29.94	33.30	34.66
Sugar	3.76	5.78	10.01	16.66	20.06	26.12	31.32	33.67	36.94
Cigarettes	31.88	32.44	37.14	43.44	44.24	48.88	54.63	59.28	66.56
Cigars	–	–	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
Tobacco	0.18	0.18	0.22	0.22	0.21	0.28	0.28	0.42	0.33
Matches	Negl.	0.06	0.17	0.34	0.37	0.44	1.06	2.06	2.32
Spirits	–	–	–	0.40	0.35	0.38	0.56	0.82	0.78
Mineral Water	–	–	–	–	0.69	1.72	2.80	3.84	3.96
Wines	–	–	–	–	Negl.	Negl.	Negl.	Negl.	Negl.
Biscuits	–	–	–	–	–	–	0.16	0.54	0.44
Soap	–	–	–	–	–	–	3.20	7.14	6.51
Fabrics	–	–	–	–	–	–	–	3.09	8.60
Paints & Distempers	–	–	–	–	–	–	–	0.67	1.27
TOTAL EXCISE	46.74	51.56	64.18	81.46	89.04	101.22	123 95	144.83	163.38
ADJUSTMENTS	–	–	–	–	–	– 1.54	+ 1.38	– 1.24	+ 0.46
NET EXCISE	46.74	51.56	64.18	81.46	89.04	99.68	125.33	143.59	162.94

Source : Annual & Monetary Trade & Revenue Reports, E.A. Customs and Excise Department.
"Negl. means "Negligible".

Foodstuffs (Tinned, Condensed, Evaporated and Dried milk, Cheese, Ghee, Butter, Coffee, Tea, Spices, Wheat flour (@20%), breakfast food, refined ve etable oil, vegetable ghee and margarine, confectionery cocoa, paste products, tinned, dried and preserved meat, fish, ve etable soups)

Drinks (soft drinks, beer @ 20%), Chibuku @ 20%, Wine @ 20% Spirits @ 20%

Tobacco Products @ 10 - 20%

Building Materials (Cement, Corrugated Sheet, Paints, Timber and Timber Products)

Rubber (Tyres, Tubes, Shoe soles, Retreading rubber

Paper and Paper Products (excludin newsprint and industrial bagging)

Cloth (Wool, Silk and Linen @ 20% and cotton, rayon, etc.@ 15%)

Clothing (shirts, outer arments, socks, underwear, nets (20%) Bed spreads and towels (15%), underwear children)

Jewelery(Gold, Silver, precious stones, toys etc.)

Household goods, (ceramicware, enamel, metalware, knives, etc.)

Luxury Durables (Airconditioners, refrigerators, electric and Gas Cookers, Washing Machines, Dish Washers, Radiograms, Cameras, Telescopes, Musical instruments)

Transportation - Automobiles 15 to 20%; Minibuses, Landrovers, Pickups, motor cycles (15%), Bicycle parts)

Fuel (Gas oil 5%, Kerosine 7%, Motor spirit, Lubricating Oil, (for cookers)

Soap Detergents

Electrical Batteries, Fans, Radios Etc.

Miscellaneous

TABLE 16 - SALES TAX

TOTAL Shs.Mln	ESTIMATES ON LOCAL GOODS Shs. Mln.	1969/70 ON IMPORTS Shs. Mln	OUTTURN ON LOCAL GOODS	JUNE-AUGUST ON IMPORTS Shs.Mln.	1969 TOTAL Shs.Mln.
25.00	12.65	12.35	(1.729)		
12.00	8.55	3.45	(3.27)		
5.10	5.00	0.10	(0.88)		
15.00	10.75	4.25	(0.39)		
6.00	0.75	5.25			
5.00	0.50	4.50			
45.00	22.50	22.50	(1.846)		
5.37	0.08	5.30			
0.50	–	0.50			
1.58	0.42	1.15			
2.00	–	2.00			
13.00	–	13.00			
18.45	–	18.45	(2.853)		
5.20	2.30	2.90	(10.06)		
3.00	0.70	2.30	(0.06)		
			(2.365)		
(162.20)	(6[illegible])	(98.00)	(13.66)	(17.53)	(31.19)

TABLE 17

CENTRAL GOVERNMENT REVENUE

SOURCE OF REVENUE	1960/61	1961/62	1962/63	1963/64	1964/65	1965/66	1966/67	1967/68	1968/69	1969/70 (EST)
Import Duties	153,900	161,322	186,540	208.160	[illegible]5,340	259,662	[illegible]	344.870	368.616	390.000
Transfer Tax	–	–	–	–	–	–	–	5.258	9.635	10.500
Excise Duties	43.868	50.828	68.420	77.880	[illegible]1.140	100.126	1[illegible]1.793	143.645	161.556	180.000
Sales Tax	–	–	–	–	–	–	–	–	2.662	155.000
Export Duties	1.248	1.102	12,987	18.145	29.120	12.316	37.902	35,452	53.014	54.800
Income Tax (Proper)	89.773	94.649	106.625	120.360	130.840	153.887	158.610	180.001	251.626	245.000
Personal Tax	25.810	24.800	16,676	20.320	21.260	29.606	74.227	84.041	[illegible]7.007	90.000
Other Taxes	29.784	23.006	23.298	29.067	40.040	46.260	54.582	54.648	72.55[illegible]	47.196
Distributable Pool	–	10.804	13.083	16.640	17.840	19.878	24.200	19.054	13.757	0.500
Government Property Income	30.074	32.378	30.500	31.876	36.680	34.477	56.219	54.292	47.561	47.326
Interest and Loans	11.698	17.025	14.364	18.432	26.520	10.871	16.961	16.536	35.873	13.000
Other Government Revenue	35.951	21.796	28.060	24.420	37.800	49.159	26.704	55.248	27.012	267.397 *
ACTUAL	427.106	435.710	500.553	565.300	676.580	716.242	867.316	993.04[illegible]	1130.871	1505.719
PLANNED				(515.900)	(658.88[illegible])	(696.500)	(740.220)	(763.960)	(831.510)	
Appropriations-in-Aid		127.720	196.620	152.500	162.920	181.210	156.210	136.519	133.[illegible]	**
		563.430	697.173	717.800	839.500	897.452	1024.026	1129.56	1264.100	1505.719

* Includes some of the compensation payments which are channelled through the budget. These payments relate to compensation to commercial banks, import-export firms, mills, certain industries etc. nationalised during 1967. The amount is Shs. [illegible] mln for 1969/70. Basically an amalgam of charges and fees similar to "Other Government Revenue".

** In 1969/70 Appropriations-in-Aid were abolished and the separate items amalgamated into the basic revenue accounts as part of an overall recasting of accounts on a quasi-progressive basis.