

THE UNITED REPUBLIC OF TANZANIA



No. 42 OF 1965

I ASSENT,

*Julius K. Nyerere*  
President

8TH JULY, 1965

**An Act to impose a Levy for the purposes of development on certain  
income, crops and minerals**

[11TH JUNE, 1965]

ENACTED by the Parliament of the United Republic of Tanzania.

**PART I**

PRELIMINARY

1. This Act may be cited as the Development Levy Act, 1965 and shall be deemed to have come into operation on the eleventh day of June, 1965.

Short title  
and  
commence-  
ment

2.- (1) In this Act unless the context otherwise requires-  
"chargeable person" means a person on whose income the development  
levy is charged;

Interpretation

"collection authority" means a collector, tax agent and tax clerk, an  
employer and a prescribed marketing organization;

"collector" means a person appointed to be a collector for an area and  
includes an assistant collector, and "the collector" in relation to any  
area means the collector appointed for that area;

"demand" means a demand for development levy and includes an  
amended demand;

"development levy" and "levy" means a levy charged by this Act and  
references to the levy in Part II, III or IV are references to the levy  
charged under the respective Part;

"Minister" means the Minister for the time being responsible for financial  
matters;

"prescribed", subject to section 24, means prescribed by regulations made by the Minister; and

references to personal assessment in relation to the development levy charged under Part II are references to the levy assessed on accountable income within the meaning ascribed to that expression in that Part.

(2) References in this Act-

to a technical assistance officer, are references to a person, other than a citizen of Tanzania, who is employed by the Government of the United Republic, the Common Services Organization or such other employer as may be prescribed under an agreement whereby his salary or any part thereof is paid by a foreign Government or technical assistance authority or whereby his employer is reimbursed by a foreign Government or technical assistance authority for his salary or any part thereof, or under any other agreement approved by the Minister as an agreement for technical assistance;

to a foreign Government, are references to the Government of a State other than Tanzania and to the organs of such a Government; and

to a technical assistance authority, are references to such organizations as may be prescribed.

Disposition  
Of  
development  
levy

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3. All sums collected by way of development levy under this Act (including any penalty and any sums recovered from a collection authority on account of its failure to collect any development levy) shall be paid into a separate public fund which shall be deemed to have been established under section 17 of the Exchequer and Audit Ordinance, and no sum shall be payable out of such fund except in pursuance of an Act of Parliament.

## PART II

### DEVELOPMENT LEVY ON INCOME

Interpretation  
of Part II

4. -(1) In this Part of this Act, unless the context otherwise requires-  
"accountable income" means income other than income from those periodical payments from which the levy is deductible in accordance with section 6;

"authorized deduction" has the meaning ascribed thereto in subsection (7) of section 7;

"chargeable employee" means an employee ordinarily resident in Tanganyika who is entitled to a periodical payment or payments from his employer at a rate of two hundred shillings per month or more or, where such payment or payments are calculated in relation to a period other than a month, the corresponding rate for such period, other than employee in possession of a certificate of exemption; and, for the purposes of section 6, an employee employed in Tanganyika shall be deemed to be ordinarily resident in Tanganyika and over the age of eighteen years of age on the first day of September, 1965 unless he is in possession of a certificate of exemption in that behalf;

"financial year" means the year beginning on the first day of September, 1965 and ending on the thirty-first day of August, 1966:

Provided that where the Minister declares any stipend or periodic payment to be periodical payments for the purpose of this Part, he may declare any other period of twelve months beginning not later than the first day of October, 1965 to be the financial year for the purpose of such periodical payments;

"income" means income of a person accruing in, derived from or received in Tanzania in respect of-

- (a) gains or profits from any trade, business, profession, vocation or employment, including any allowance (other than a subsistence or travelling allowance) granted in respect of employment or services;
- (b) dividends, interest or discounts;
- (c) any pension, allowance, charge, annuity, gratuity (other than a gratuity paid to the dependent of, and on account of the death of, a deceased person) or alimony;
- (d) rents, royalties, premiums and any other profit arising from property,

after deducting all outgoings and expenses wholly and exclusively incurred by such person in the production of such income (but not any income tax charged upon the income of such person or any personal tax); but does not include—

- (i) in the case of a self-employed grower or producer of any crop or mineral specified in Part III or Part IV, or any person employed in the growing of any such crop and remunerated therefor by a share in the profits of its sale, any income received from such sale or any such share respectively;
- (ii) that part of the income of a technical assistance officer which is paid by a foreign Government or other technical assistance authority, or for which his employer is re-imbursed by a foreign Government or other technical assistance authority;
- (iii) such education allowances as may be prescribed;

"periodical payments" means wages, salaries, allowances and such other stipends and periodic payments as the Minister may declare to be periodical payments for the purposes of this Part, being wages, salaries, allowances, stipends and payments which are income within the meaning of this section;

"notional income" means the notional income of a person determined in accordance with section 7 or 8;

"person" means a natural person.

(2) For the purpose of this Part, chargeable income means-

- (a) in the case of periodical payments from which the levy is deductible in accordance with section 6, the gross periodical payments in the financial year;

- (b) in the case of accountable income, the notional income for the financial year as determined in accordance with section 7 or 8-

Provided that where, after the end of the financial year, the accountable income of any person is re-assessed in accordance with rules made under section 10 and it is found that the notional income of any chargeable person differs from his actual accountable income for the financial year by more than ten per centum, the chargeable accountable income shall be the actual accountable income for the financial year.

(3) For the purposes of this Part, a citizen of Tanzania who is in the service of the United Republic shall be deemed to be ordinarily resident in Tanganyika notwithstanding that but for the provisions of this subsection he would not be ordinarily so resident.

(4) The Minister may, by notice in the *Gazette*, declare any stipend, or a periodic payment of the nature of wages, salaries, allowances or stipend, to be periodical payments for the purpose of this Part, and where he makes such a declaration the person by whom and the person to whom the same are payable shall be deemed for the purpose of this Part to be respectively an employer and an employee in relation thereto.

Development  
levy of five  
per centum  
on income

5. Subject to the provisions of this Part, there shall be charged, levied and collected on the income of every person ordinarily resident in Tanganyika during any part of the financial year a levy (hereinafter referred to as the development levy) of five per centum of his chargeable income.

Collection of  
levy on  
periodical  
payments  
Cap. 366

6. (1) Notwithstanding anything contained in the Employment Ordinance, the levy on income from periodical payments of a chargeable employee shall be deducted by his employer from the periodical payments as and when they are payable, and during the financial year no employer shall make any periodical payment to a chargeable employee unless he has first deducted therefrom a sum equal to five per centum of the gross periodical payments then payable.

(2) All sums deducted from periodical payments in accordance with subsection (1) shall be paid on or before the seventh day of the month next succeeding the month in which they are deducted to the collector or as he shall direct, and every such payment shall be accompanied by a return of the employees from whose periodical payments the levy has been deducted, the gross periodical payments payable by the employer to each such employee during the month in which the deductions were made and the amount deducted in respect of each of them.

(3) Where an employer—

- (a) fails to make a deduction which he is required to make under this section; or
- (b) delays or defers any periodical payment due to a chargeable employee during the financial year to a time after the expiration of the financial year; or

- (c) makes, or agrees to make any periodical payment, outside Tanganyika to a chargeable employee without first deducting the levy; or
- (d) enters into any agreement with any chargeable employee not to pay any sum earned or payable during or in respect of the financial year in order to avoid the deduction and payment of the levy in respect of such payments,

the employer shall himself be liable to pay the sums which but for such failure, delay, deferment, payment or agreement would have been deductible in accordance with this section and all such sums shall be deemed to be development levy and may be recovered by the collector accordingly.

7.-(1) This section applies—

- (a) to every person ordinarily resident in Tanganyika at any time during the financial year whose income during the calendar year 1964 was, or during the financial year may reasonably be expected to be, £120 or more, other than—

Return and  
determination  
of notional  
income

- (i) a person whose chargeable income (within the meaning ascribed to that expression in the Personal Tax Ordinance) as recorded in the current tax registers maintained under that Ordinance is not more than £300; or
- (ii) a chargeable employee in receipt of periodical payments from which deductions are being made in accordance with section 6 whose accountable income (if any) during the financial year does not, or cannot reasonably be expected to, exceed £50; and

Cap. 355

- (b) to every person ordinarily resident in Tanganyika at any time during the financial year who is expressly required in writing by the collector to make a return of his income.

(2) A person to whom this section applies by reason of—

- (a) paragraph (a) of subsection (1), shall make a return of income to the collector before the thirtieth day of September, 1965, or if he is not before that date a person to whom this section applies, within thirty days of his becoming such a person;
- (b) paragraph (b) of subsection (1), shall make a return of income to the collector within such time, not being less than fourteen days after the service on him of such requirement, as the collector may specify.

(3) A return made in accordance with this section shall be in the prescribed form and shall—

- (a) in the case of a person ordinarily resident in Tanganyika during the whole of the calendar year 1964, contain a declaration of the whole income of the person making the same during that year;
- (b) in the case of a person ordinarily resident in Tanganyika during any period of twelve months or more beginning after the first day of January, 1964 and ending before the date of the return, contain a declaration of the whole income of the person making the same during the first twelve months of such period of ordinary residence;

(c) in the case of a person who has not been ordinarily resident in Tanganyika for a period of twelve months since the first day of January, 1964, contain a declaration of the whole income of the person making the same during the period for which he has been so resident and an estimate of his income during such future time during the financial year as shall, together with the period of ordinary residence that has expired and so far as the unexpired portion of the financial year allows, make up a period of twelve months of ordinary residence,

and shall further, if the person making the same has been served with any notice of assessment of income tax in respect of the tax payable on his income under the East African Income Tax (Management) Act, 1958, be accompanied by the latest notice of such assessment served on him.

E. A. H. C.  
Acts 1958  
No. 10

(4) The notional income of every chargeable person who so renders a return shall be his income, as assessed by the collector, for the period of twelve months to which his return relates or, as the case may be, the income, as assessed by the collector, for any lesser period to which a return relates together with such sum as the collector may calculate as being reasonably likely to accrue as income during a relevant future period within the financial year (less, in either case, any income which, had the Act been in operation during the relevant period, would have been periodical payments from which the levy would have been deductible in accordance with section 6), or, if a notice of assessment of income tax has been delivered and the collector so determines, the income of such person for the year of income to which the assessment refers less any authorized deduction.

(5) Where a person who is required by or under this section to make a return of income fails or neglects to make such return at the time and in the manner herein specified, the collector may assess such person's notional income at his discretion.

(6) After determining a chargeable person's notional income in accordance with this section, the collector shall demand the development levy appropriate thereto from the person chargeable.

(7) For the purpose of subsection (4), an authorized deduction means a deduction of any part of the income revealed in the notice of assessment of income tax which is-

- (a) not income within the meaning of this Part; or
- (b) not the income of the person making the return under this section,  
or
- (c) income which, had this Act been in operation during the relevant period, would have been periodical payments from which the levy would have been deductible in accordance with section 6; or
- (d) in the case of a person who is currently in receipt of periodical payments from which the levy is deducted in accordance with section 6, and who was not in receipt of such payment or payments of a like nature during the period to which the return relates, income from a source which ceased on his taking up the employment for which such payments are a consideration.

**8.**-(1) This section applies to every person ordinarily resident in Tanganyika during any part of the financial year whose chargeable income (within the meaning ascribed to that expression in the Personal Tax Ordinance) as recorded in the current tax registers maintained under that Ordinance is not more than £300, other than a person—

Determina-  
tion of  
other  
notional  
income

- (a) who is not a chargeable person; or
- (b) who is a chargeable employee in receipt of periodical payments from which deductions are being made in accordance with section 6; or
- (c) whose earnings or any part thereof are not income within the meaning of this Part by reason of paragraph (i) of the definition "income"

(2) The notional income of every chargeable person to whom this section applies (other than a chargeable person who is required to make a return, and is assessed, in accordance with section 7) shall be the minimum sum at which personal tax at the rate paid or payable by the chargeable person for the year 1965 is levied, and the collector shall proceed to determine every such chargeable person's notional income accordingly and shall demand the levy at the rate appropriate to such notional income.

**9.** The Minister may make regulations for the avoidance of any hardship occasioned by reason of any demand for or payment of levy on any notional income on or by a person in receipt of periodical payments from which the levy is deducted in accordance with section 6, and such regulations may provide for the suspension of the demand until the actual income of such person has been ascertained at the end of the financial year, the making of a provisional demand at a rate lower than that prescribed by the foregoing provisions of this Part, the giving of security, the return in whole or part of any levy paid on any notional income, or the grant of a certificate of total or partial exemption in respect of levy deductible in accordance with section 6; but nothing in this section shall authorize the making of regulations whereby the levy payable on any person's actual income as ascertained after the expiration of the financial year shall be reduced below the rate prescribed in section 5 or whereby any levy deducted in accordance With section 6 shall be refunded.

Avoidance of  
hardship

**10.**-(1) The Minister shall make regulations providing for the reassessment, after the end of the financial year, of any accountable income in any case where a person chargeable to the levy alleges that his actual accountable income in the financial year was less by more than ten per centum than his notional income, and may make regulations under this section providing for the reassessment of such income at the instance of the collector in any case in which the collector has reason to believe that the actual accountable income of any person is greater by more than ten per centum than his notional income.

Reassessment  
of  
accountable  
income after  
end of  
financial  
year

- (2) Regulations under this section may provide-
- (a) that no chargeable person shall be entitled to any reassessment of his accountable income unless he has paid the levy assessed on his notional income or, if he has been granted any benefit, stay or indulgence in accordance with regulations made under section 9, unless he has complied with the conditions on which such benefit, stay or indulgence was granted;
  - (b) for the recovery of any levy found to be due on such reassessment or the refunding of any levy paid in excess of that appropriate to the reassessed accountable income;
  - (c) for the application of the ensuing provisions of this Part, with or without modification, in respect of demands made on any such reassessment, the payment, collection and recovery of any levy found to be due and the making of objections and appeals in respect of such demands or any reassessment;
  - (d) for such consequential or incidental matters as may be necessary or expedient for any such purposes aforesaid, including the payment of fees and deposits and their forfeiture in the event of any reassessment at the instance of a chargeable person not resulting in a finding on which a refund is to be made.

(3) Regulations made under this section shall be laid before the National Assembly, and if approved by resolution of the Assembly shall have effect as if enacted in this Act.

(4) Nothing in this section or in any regulations made hereunder shall be construed as exempting any person from payment of any levy demanded in accordance with section 7 or 8, or as deferring any liability to make payment on such a demand.

Objections  
and  
appeals

**11.** (1) Any person who is aggrieved-

- (a) by a demand made on him under section 7 or 8 for the development levy;
- (b) by the refusal of the collector to grant him a certificate of exemption on his application therefor on the grounds that he is not ordinarily resident in Tanganyika or under the age of eighteen years,

may, within thirty days of the service upon him of the demand, or as the case may be, of the refusal, or within such further time as the collector may allow, serve notice of objection on the collector.

(2) An appeal by a person aggrieved shall lie from the decision of a collector on an objection to the Appeal Board for the Region established under the Personal Tax Ordinance, and an appeal by the collector or a person aggrieved shall lie from the decision of an Appeal Board to, the High Court.

(3) No objection or appeal shall be allowed-

- (a) on the ground that the collector has determined the notional income of any person in accordance with the latest notice of assessment of income tax of such person:



Provided that nothing in this paragraph shall exclude an objection or appeal in respect of an authorized deduction;

- (b) on the ground that the collector has determined the notional income of any person in accordance with subsection (5) of section 7, unless the objector or, appellant has made a return of income in accordance with that section,
- (c) against any demand made in accordance with section 8 on the ground that the objector or appellant is a person to whom paragraph (c) of subsection (1) of that section refers, unless the objector or appellant has made a return of his income in accordance with section 7, whether or not such return has been required by the collector under this Part.

(4) Subject to the provisions of this section, subsections (2) to (6) (inclusive) of section 16, and subsections (1), (2), (3), (4), (8) and (9) of section 19, of the Personal Tax Ordinance shall apply, with the necessary modifications, to objections and appeals to an Appeal Board under this section as they apply to objections and appeals under that Ordinance.

(5) The Chief Justice may make rules of court for appeals to the High Court under this section and for limiting the time within which such appeals shall be made.

**12.** (1) Where no valid objection or appeal has been lodged within the time limited by or under this Act against a demand as regards the amount thereof or where such an objection has abated under subsection (3) or, where the amount of the demand has been agreed to, under paragraph (a) of subsection (4), of section 16 of the Personal Tax Ordinance as applicable for the purposes of this Act, or where the amount of such demand has been determined on objection or appeal, the demand, as made or agreed to or determined on appeal, as the case may be, shall be final and conclusive for all purposes of this Act as regards the amount of development levy due in respect of accountable income by the person to whom the demand relates:

Demands to  
be final

Provided that the finality and conclusiveness of any demand under this section shall be without prejudice to any application after the end of the financial year for the reassessment of a person's notional accountable income in accordance with regulations made under section 10, or to any such reassessment.

(2) Collection of the levy shall, in cases where notice of an objection or an appeal has been given within the time limited therefor, remain in abeyance until such objection or appeal is determined:

Provided that the provisions of this section shall not apply to any portion of the levy which is not in dispute.

**13.**-(1) Subject to the provisions of this section, the levy on accountable income shall be due and payable-

Payment of  
levy

- (a) within thirty days of the demand therefor being served on the person chargeable; or

(b) if the collector has authorized the payment of the levy by installments and so long as the conditions subject to which such authorization is given are fulfilled, at such times and in such installments as may be authorized.

(2) If any person proposes to leave Tanganyika and to remove his place of ordinary residence therefrom before he has paid the whole of the development levy payable on his accountable income (whether or not the same shall have been determined or assessed), the development levy or the amounts thereof outstanding, as the case may be, shall be due and payable on the day preceding his leaving Tanganyika, and save in such cases as may be prescribed, it shall be such person's duty to report his proposed departure to the collector and, whether or not he has been served with a demand for the levy or has made an objection or an appeal in accordance with section 11, to make such payment on account thereof or to give such security, as the collector may reasonably require.

(3) Where the collector has directed that, subject to such conditions as he may specify, the development levy be paid by installments, and such conditions cease to be fulfilled before the whole of the development levy has been paid, or where default is made in the payment of any installment, the development levy or the outstanding installments thereof, as the case may be, shall forthwith become due and payable.

(4) Every chargeable person shall, by the due date, pay the amount of the levy on his accountable income, or any installment thereof for which he is liable, in accordance with any appointment made under this section applying to him.

(5) The collector may as regards his area or any part thereof appoint the place at which and the authority to whom the development levy on accountable income is to be paid by chargeable persons in the area or part thereof concerned.

(6) Any appointment made by a collector under subsection (5) shall be made known in such manner as the collector may think necessary for bringing such appointment to the notice of all persons who should in his opinion have notice thereof and thereupon every chargeable person in the area to which the appointment refers shall be deemed to have received notice of such appointment.

Penalty and  
recovery of  
levy

**14.**-(1) Any person who fails to pay the development levy on any accountable income due from him by the date on which it is due and payable shall be liable to pay such penalty, not exceeding twenty-five per centum of the amount by which he is in default, as the collector shall determine, and such penalty shall be deemed to be part of the levy and shall be recoverable accordingly.

(2) The Minister may, by regulations, prescribe the circumstances in which the penalty shall or shall not be imposed and the percentages to be imposed in any class of case, and where the Minister makes such regulations the collector shall exercise his functions under this section in accordance therewith.

(3) The development levy (including the levy deducted in accordance with section 6 and other sums deemed to be levy under that section) shall be a debt due to the United Republic and, if not paid by the due date, may be sued for and recovered with full costs from the person charged or, as the case may be, the employer by whom the levy was or was required to be deducted, by any collector in any court of competent jurisdiction.

(4) In any action or proceedings for the recovery of any development levy, a certificate under the hand of the collector stating the amount of the development levy or penalty certified as being due and payable by the defendant shall be *prima facie* evidence that such amount is due and payable by such person, and shall be sufficient evidence of the amount so due and sufficient authority for the court to give judgment for such amount unless the defendant or the court requires the collector to appear in person.

**15.**-(1) There shall be exempted from the development levy—

Exemptions

- (a) every person who has not attained the age of eighteen years before the first of September, 1965;
- (b) every person whose chargeable income in the year 1965 is less than two thousand four hundred shillings:

Provided that nothing in paragraph (b) of this subsection shall exempt any person who is a chargeable employee within the meaning of this Act from the development levy deducted from periodical payments in accordance with section 6.

(2) The Minister may-

- (a) by order published in the *Gazette*, exempt any category of persons or income from the development levy charged by this Part;
- (b) by writing under his hand, exempt any person or income from the development levy charged by this Part.

(3) The collector shall, on application therefor, grant a certificate of exemption to every person who, being an employee of another, is not liable for the levy by reason of his not being ordinarily resident in Tanganyika or of his being under the age of eighteen years, and may grant such a certificate to any other person who is not liable for the levy.

**16.** (1) There shall be refunded to the chargeable person who paid the same, or if he is dead to his personal representatives—

Refunds

- (a) any development levy collected by deduction in accordance with section 6 in excess of the amount which is found to be properly chargeable;
- (b) any levy in excess of the amount which is properly chargeable in respect of accountable income which, on reassessment in accordance with rules made under section 10, is found to be chargeable to levy on the actual accountable income for the financial year instead of the notional accountable income;

- (c) on his leaving Tanganyika with the intention of removing his place of ordinary residence therefrom, or on his earlier death, all the development levy collected from periodical payments made to, or otherwise paid by, any technical assistance officer; and, notwithstanding the foregoing provisions of this Part, no development levy or any unpaid installment thereof shall be deducted from any periodical payments to, or be otherwise due or payable by, such officer on the occasion of, or after, his leaving Tanganyika in such circumstances or in respect of such officer after his death.

Administra-  
tive  
provisions

17.-(1) Save in so far as they may be disapplied or modified by regulations made under this Act, the following provisions of the Personal Tax Ordinance (including the penal provisions of such Part and sections) shall apply, with the necessary modifications, to and for the purposes of, this Part of this Act as they apply to and for the purposes of that Ordinance-

Part II of the Ordinance (other than section 6);  
section 13 (4), (5), (6), (7), (8) and (9);  
section 18;  
section 26;  
section 27;  
section 30 (6), (7) and (8);  
sections 31, 32 and 33;  
section 34;  
section 35 (other than subsection (6)).

(2) In addition to the powers conferred on a collector for the purposes of this Act under the provisions of the Personal Tax Ordinance which are applied by subsection (1) of this section, a collector shall have power to reassess any chargeable person upon whom a demand has been made under section 7 or 8 where for any cause he has reason to believe a former assessment to have been incorrect, and to make a fresh demand for any further sum due as development levy in accordance with such reassessment:

Provided that no such reassessment may be made under this subsection after the end of the financial year.

(3) In addition to the powers conferred on the Principal Secretary to the Treasury for the purpose of this Act under the provisions of the Personal Tax Ordinance which are applied by subsection (1) of this section, the Principal Secretary shall have power to appoint a collector for any category of employment in Tanganyika, and where any such collector is so appointed then, in relation to any chargeable or other person in such employment, he shall be deemed to be the collector for the area.

**PART III**

## DEVELOPMENT LEVY ON SALES AND EXPORTS OF CERTAIN CROPS

**18.** (1) There shall be charged, levied and paid on the crops specified in subsection (3) of this section which are sold, in accordance with directions given in pursuance of an order made under section 7 of the Agricultural Products (Control and Marketing) Act, 1962 or otherwise sold or delivered for sale, to the prescribed marketing organization on or after the eleventh day of June, 1965, a levy (hereinafter referred to as a development levy) at the rate of five per centum of the price payable to the vendor or his agent on the sale.

Development  
levy of  
5 per centum  
on sale, etc  
of certain  
crops  
Acts 1962  
No. 56

(2) The development levy charged by this section shall be paid by the vendor and shall be deducted by the prescribed marketing organization from the price payable to the vendor or his agent on the sale.

(3) This section applies to the following crops: -

Cashew nuts;  
Castor seeds;  
Coffee;  
Copra;  
Groundnuts;  
Simsim; and  
Sunflower,

which are produced in Tanganyika.

**19.**-(1) There shall be charged, levied and paid on all flue-cured tobacco produced in Tanganyika which is sold, in accordance with directions given in pursuance of an order made under section 7 of the Agricultural Products (Control and Marketing) Act, 1962 or otherwise sold or delivered for sale, to the prescribed marketing organization on or after the first day of September, 1965, a levy (hereinafter referred to as a development levy) at the rate of ten cents per pound avoirdupois.

Development  
levy of  
10 cents  
per lb. on  
flue-cured  
tobacco

(2) The development levy charged by this section shall be paid by the vendor and shall be deducted by the prescribed marketing organization from the price payable to the vendor or his agent on the sale.

**20.**-(1) There shall be charged, levied and paid on all fire-cured tobacco produced in Tanganyika on or after the eleventh day of June, 1965 a levy (hereinafter referred to as a development levy) at the rate of seven cents per pound avoirdupois.

Development  
levy of  
7 cents per lb.  
on fire-cured  
tobacco

(2) The development levy charged by this section shall be paid by the producer and shall be collected by the prescribed marketing organization which shall have power to deduct the same from the price payable to the vendor or his agent for any fire-cured tobacco on which the levy has not then been paid which is sold to such organization or delivered to such organization for sale.

Development  
levy of  
2 cents per  
pound on  
seed cotton  
Cap. 311

**21.** (1) There shall be charged, levied and paid on all seed cotton produced in Tanganyika which is sold, in accordance with the provisions of section 16 of the Lint and Seed Marketing Ordinance or otherwise sold or delivered for sale, to the prescribed marketing organization on or after the eleventh day of June, 1965, a levy (hereinafter referred to as a development levy) at the rate of two cents per pound avoirdupois.

(2) The development levy charged by this section shall be paid by the vendor and shall be deducted by the prescribed marketing organization from the price payable to the vendor or his agent on the sale.

Development  
levy of  
Shs. 20/- per  
ton on sisal

**22.**-(1) There shall be charged, levied and paid on all sisal produced in Tanganyika which is exported from or sold in Tanganyika on or after the eleventh day of June, 1965 a levy (hereinafter referred to as a development levy) at the rate of twenty shillings per ton (and *pro rata* for parts of a ton):

Provided that the development levy shall not be charged on the export of sisal in respect of which the levy has been previously paid on a sale, or on the sale of sisal in respect of which the levy has been paid on a previous sale.

(2) The development levy charged by this section shall be paid by the exporter or, as the case may be, the vendor and shall be collected by the prescribed marketing organization.

(3) Nothing in this section shall apply to sisal fume or tow (that is to say the waste matter extracted when sisal fibre is brushed).

Crops  
deemed to  
have been  
produced in  
Tanganyika

**23.** For the purposes of this Act where any crops to which this Part applies are sold in, or exported from, Tanganyika, they shall, in the absence of proof to the contrary, be deemed to have been produced in Tanganyika.

Prescribed  
marketing  
organizations

**24.**-(1) The Organizations set out in the first column of the Schedule hereto shall be the prescribed marketing organizations for the crops produced in the areas of Tanganyika set out opposite thereto in the second and third columns.

(2) The Minister may from time to time, by regulations, vary the Schedule.

(3) A prescribed marketing organization shall comply with the directions of the Minister for the deduction and collection of the relevant development levy, the payment of the proceeds thereof to the Treasury, and the rendering of returns of crops purchased by the organization or delivered to it, the prices paid therefor and the levy deducted and collected.

(4) Any prescribed marketing organization which fails or neglects to deduct or collect any development levy which it is required to deduct or collect under this Part of this Act shall itself be liable to pay a sum equal to the amount of such levy.

(5) The development levy charged by this Part of this Act, the sums collected therefor and any sum due under subsection (4) of this section by reason of the failure or neglect of any prescribed marketing organization, shall be a debt due to the United Republic and, if not paid in accordance with this Part, and the directions of the Minister in that behalf, may be recovered with full costs by or on behalf of the Minister in any court of competent jurisdiction.

#### PART IV

##### DEVELOPMENT LEVY ON DIAMOND PRODUCTION

**25.** (1) Subject to the provisions of this section, there shall be charged, levied and paid on all diamonds mined in Tanganyika on or after the eleventh day of June, 1965 a levy (hereinafter referred to as a development levy) at the rate of five per centum of the gross value of such diamonds.

Development  
levy of  
5 per centum  
on diamonds

(2) The development levy charged by this section shall be paid by the holder of the lease or claim on which the diamonds are mined and shall be collected by the Commissioner for Mines, and shall be paid and collected in the like manner as are royalties under the Mining Ordinance.

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(3) Notwithstanding the foregoing provisions of this section, no development levy shall be chargeable on diamonds from any lease or claim where the gross value of all the diamonds mined thereon in the current year is less than five hundred thousand pounds, and any levy collected in respect of diamonds from such a lease or claim shall be refunded at the end of the year.

(4) For the purposes of subsection (3), lease or claim shall include two or more leases or claims held by the same person where such leases or claims are contiguous, but not otherwise; and subject hereto, this section shall be read as one with the Mining Ordinance.

(5) The development levy charged by this section shall be a debt due to, the United Republic and if not paid in accordance with this section may be recovered with full costs by or on behalf of the Commissioner for Mines in any court of competent jurisdiction.

#### PART V

##### OFFENCES AND MISCELLANEOUS

**26.**(1) Any chargeable person who neglects or fails to pay the development levy for which he is liable within three months after the due date shall be guilty of an offence and shall be liable upon conviction to a fine not exceeding one thousand shillings or to imprisonment for a term not exceeding three months or to both such fine and imprisonment, unless he proves to the satisfaction of the court that his failure so to do was due to poverty or other circumstances beyond his control.

Neglect or  
failure to  
pay levy  
within three  
months  
after due  
date

(2) Nothing contained in subsection (1) of this section shall affect or be construed as affecting any right of recovery of the amount of development levy concerned, or any penalty due in respect thereof.

(3) Any collector, tax agent, or tax clerk may, without warrant, arrest any person whom he suspects on reasonable grounds of having committed an offence under the provisions of subsection (1) of this section.

(4) A collection authority making an arrest without warrant under subsection (3) of this section shall without unnecessary delay cause the person so arrested to be brought before any court having jurisdiction to try such offence.

(5) Every person arrested under the provisions of this section shall, until such time as he is brought before an appropriate court, be deemed to be in lawful custody.

(6) Proceedings under this section may be taken in respect of any development levy within three years after the due date thereof.

Evasion of  
development  
levy

**27.-(1)** Any person who, with intent to evade or to assist any other person to evade a development levy charged by this Act-

- (a) misrepresents the income or chargeable income of himself or any other person;
- (b) makes any false statement or entry in any document made or required under this Act or any regulation made hereunder;
- (c) gives any false answer, whether verbally or in writing, to any question or request for information asked for or made in accordance with the provisions of this Act or any regulation made thereunder;
- (d) prepares or maintains, or authorizes the preparation or maintenance of, any false books of account or other records, or falsifies, or authorizes the falsification of, any books of account or records; or
- (e) makes use of any fraud or authorizes the use of any fraud, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding two thousand shillings or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.

(2) Any person who, without lawful or reasonable excuse, fails to make a return of his chargeable income or any other return required by this Act or any regulations made hereunder at the time and in the manner prescribed shall be liable on conviction to a fine not exceeding one thousand shillings or, if the offence was committed with intent to evade or to assist any other person to evade a development levy charged by this Act, to a fine not exceeding two thousand shillings or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.

(3) Whenever it is proved in any proceedings under this section that any false statement or entry is made in any return under this Act or any regulations made hereunder by or on behalf of any person or in any books of account or other records maintained by or on behalf of any person, that person shall be presumed, until the contrary is proved, to have made that false statement or entry with intent to evade tax.



**28.** Any person who obstructs or hinders any collection authority in the discharge of his duties under this Act shall be guilty of an offence against this Act and shall be liable on conviction to a fine not exceeding one thousand shillings or to imprisonment for a term not exceeding three months or to both such fine and imprisonment.

Obstruction of collection authority

**29.** Any person who without lawful or reasonable excuse incites any person to refuse to pay any development levy due by him under this Act, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding two thousand shillings or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.

Penalty for inciting a person to refuse to pay development levy

**30.** Any person who, not being authorized by or under this Act so to do, collects or attempts to collect any development levy under this Act, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding two thousand shillings or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.

Unauthorized collection of development levy

**31.** Any tax clerk or tax agent appointed under this Act who fails to deposit with the collector concerned any sum of money collected by him as development levy, and any collection authority who—

Liabilities of collection authorities, etc

(a) knowingly and in bad faith demands from any person an amount of development levy in excess of the development levy due;

(b) knowingly or recklessly renders false returns whether orally or in writing of the number of persons liable to pay the development levy, or the amount of development levy collected or received by him; or

(c) willfully fails to carry out any duties imposed upon him as a collection authority by or under this Act,

shall be guilty of an offence and shall be liable upon conviction to a fine not exceeding one thousand shillings or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.

**32.** Any prescribed marketing organization which-

(a) with intent to defraud, fails or neglects to pay to the Treasury in accordance with the directions of the Minister any sum collected by it in respect of a development levy shall be guilty of an offence and shall be liable on conviction to a fine not exceeding twenty thousand shillings;

(b) fails or neglects to comply with any directions of the Minister communicated to it under this Act shall be guilty of an offence and shall be liable on conviction to a fine not exceeding one thousand shillings.

Offences by prescribed marketing organizations

**33.** Where an offence against this Act or any regulation made hereunder by any prescribed marketing organization or other body corporate is proved to have been committed with the consent and approval of any director, manager, member or officer of the organization or the body corporate, he, as well as the organization or body corporate, shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

Offences by bodies corporate

- Evidence **34.** Where, in any proceedings, criminal or civil, under or arising out of this Act, there is prima facie evidence of the service upon the defendant of a demand notice, the burden of proof that the defendant is not liable to pay the development levy or is exempt from the development levy or from any part thereof, or is not liable to any penalty in respect of such development levy, shall lie on the defendant.
- Regulations **35.**-(1) The Minister may make regulations for the better carrying out of the provisions and purposes of this Act and without prejudice to the generality of the foregoing may make regulations-
- (a) prescribing the duties of collection authorities;
  - (b) prescribing returns and forms and by whom the same shall be made and the time and mode of making and furnishing the same;
  - (c) for the assessment and collection and deduction of development levy;
  - (d) subject to sections 9 and 10, for any matter which under the foregoing provisions of this Act may be provided for, or done by or is expressed to be subject to regulations, or for anything which may be prescribed;
  - (e) for the modification of any provision of the Personal Tax Ordinance which is applied for the purposes of this Act;
  - (f) for the application of the provisions of sections 123 and 123A of the East African Income Tax (Management) Act, 1958 for the purposes of Part II of this Act, and for the modification of such provisions for the purposes of such Part;
  - (g) for the appointment between the financial year (within the meaning ascribed to that expression in Part II) and any other year of any lump sum payment referable to, or on account of, any period exceeding a year.
- (2) Such regulations may fix penalties for the breach or non-compliance with any regulation not exceeding a fine of one thousand shillings or imprisonment for a term not exceeding three months or to both such fine and imprisonment.

**THE SCHEDULE**

(Section 24)

PRESCRIBED MARKETING ORGANIZATIONS		
COLUMN 1 Crops	COLUMN 2 Organization	COLUMN 3 Area
Cashew nuts	National Agricultural Products Board	Throughout Tanganyika.
Castor seeds	National Agricultural Products Board	Throughout Tanganyika.
Coffee	Tanganyika Coffee Board	Throughout Tanganyika.
Copra	Co-operative Supply Association of Tanganyika Ltd.	Throughout Tanganyika.
Groundnuts	National Agricultural Products Board	Throughout Tanganyika.
Simsim	National Agricultural Products Board	Throughout Tanganyika.
Sunflower	National Agricultural Products Board	Throughout Tanganyika.
Flue-cured Tobacco	Tobacco Marketing Board	Throughout Tanganyika.

PRESCRIBED MARKETING ORGANIZATIONS-contd.

COLUMN 1 <i>Crops</i>	COLUMN 2 <i>Organization</i>	COLUMN 3 <i>Area</i>
Fire-cured Tobacco	Bukoba Native Co-operative Union Ltd.	Fire-cured tobacco produced in the Kigoma, Tabora and West Lake Regions.
Seed cotton	Ngoni-Matengo Co-operative Marketing Union Ltd.	Fire-cured tobacco produced in the Ruvuma Region.
Sisal	Lint and Seed Marketing Board Tanganyika Sisal Growers Association	Throughout Tanganyika. Throughout Tanganyika.

Passed in the National Assembly on the fifth day of July, 1965.

  
 Clerk of the National Assembly