

Tax for SDGs – The case of Tanzania

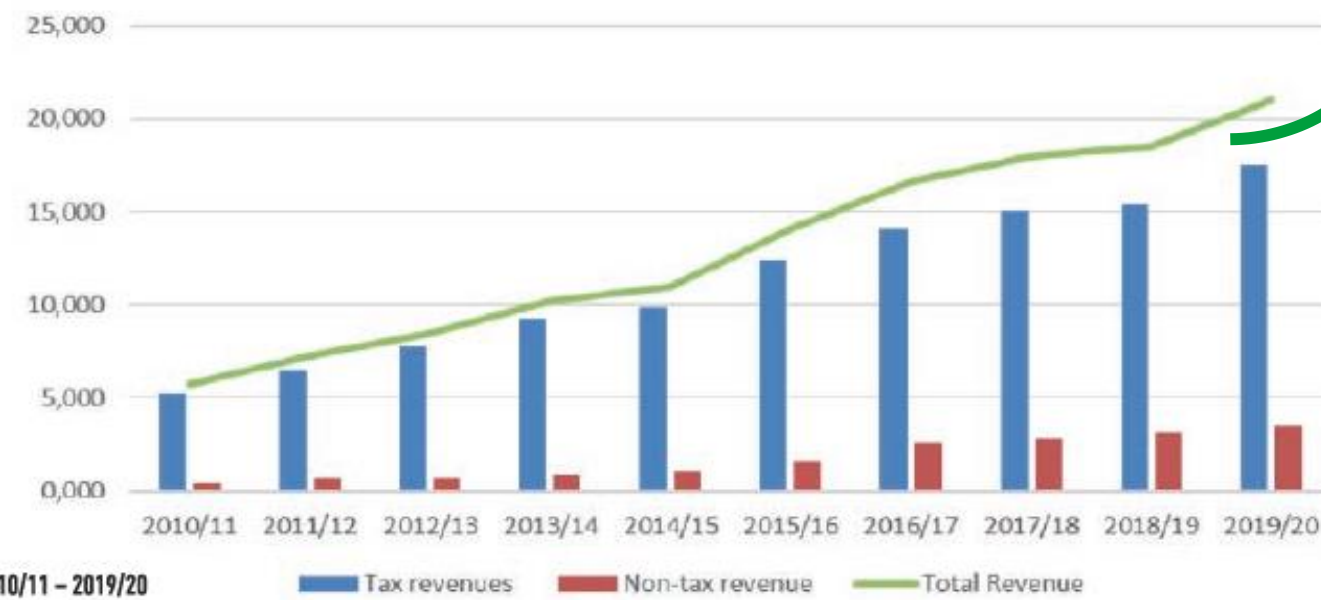


Tanzania DFA - Domestic Revenue

DFA - Domestic Revenue

Key highlights of DFA

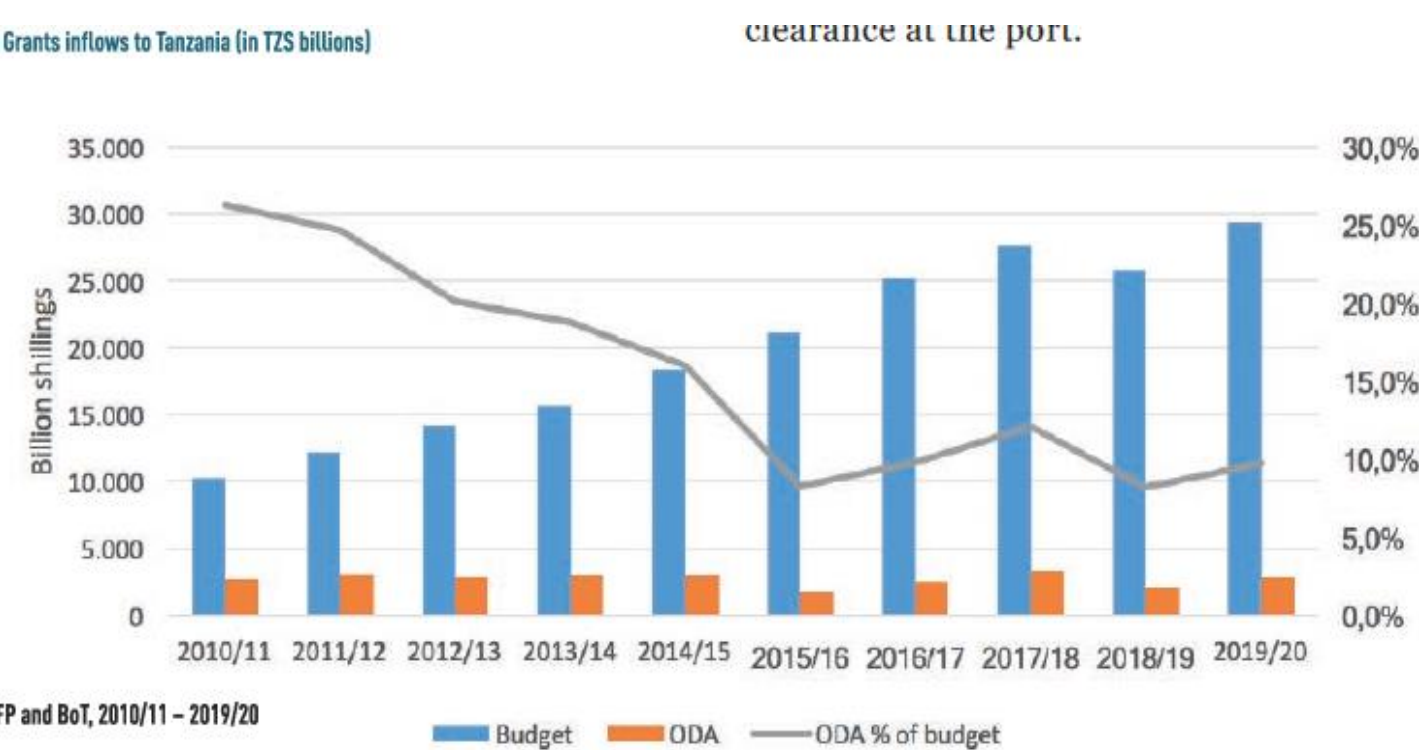
Figure 1: Tanzania recent revenue trends (in TZS Trillions)



FYDP III 2025/26
TZS 36 Trillion
(Tax 83%)

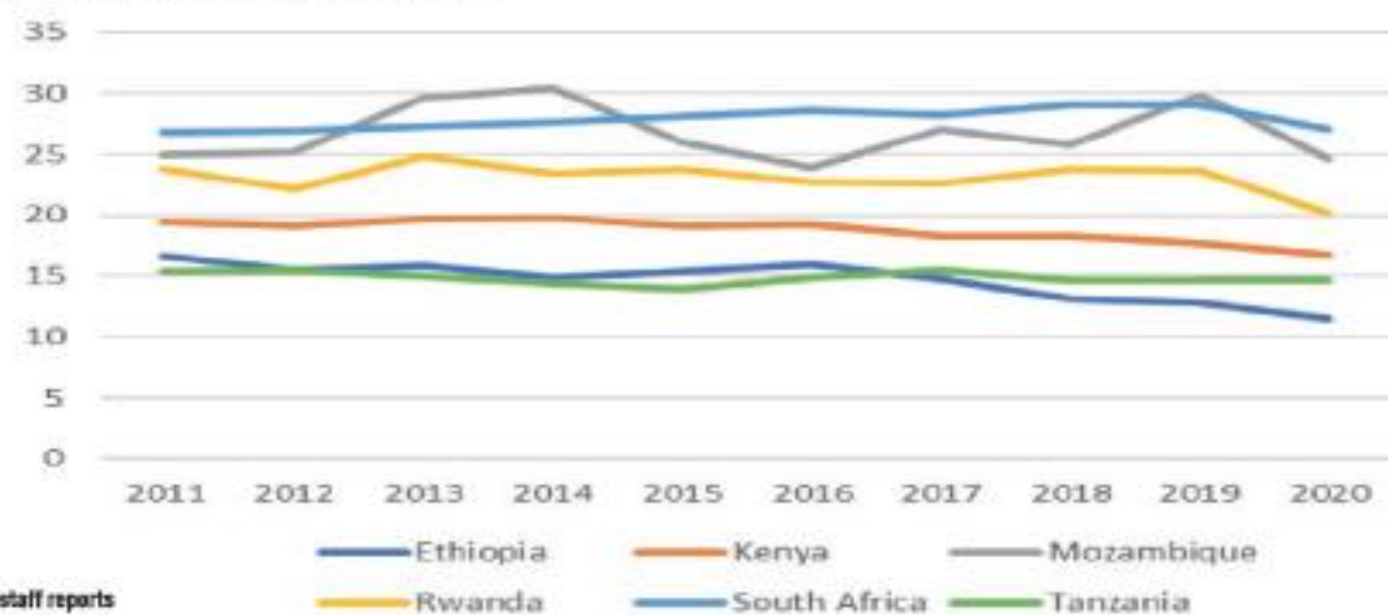
Source: MoFP, BoT, 2010/11 - 2019/20

Figure 4: ODA Grants inflows to Tanzania (in TZS billions)



Sources: MoFP and BoT, 2010/11 - 2019/20

Figure 3: Revenues as percentage of GDP for selected economies.



Source: IMF staff reports

DFA recommendation on DRM

- Increasing technical capacity to monitor transfers as well as tax audit's capacity to attack tax avoidance and evasion and capacity of local government revenue collection in context of fiscal decentralization

- Reviewing the legal framework for tax exemptions and incentives

commendation for increasing and improving automatization and harmonization with taxpayers, reviewing the legal framework for tax exceptions, adoption of green taxes and continuing the drive to bring in the informal sector and broadening the geographic and sectoral distribution of the tax base. A number of more concise tax reforms

- Conducting tax gap analysis on income and wealth, corporate tax, direct/indirect taxation, health related taxes, gender sensitive taxation and property taxes

- Expand tax audit across the board and, in the mining sector, conduct inspections jointly with the Tanzania Minerals Audit Agency (TMAA) and Tanzania Extractive Industries Transparency International (TEITI).

- Strengthening tax collection by increasing automatization and harmonizing with the taxpayer identification system,

- Assess the option of instituting an innovative taxation framework, including green taxes system and in line with international efforts to improve taxation and alignment with national priorities and SDGs

2 Tax for SDG – Tanzania Country engagement

Tax for SDG Country Engagement



KEY DRIVERS

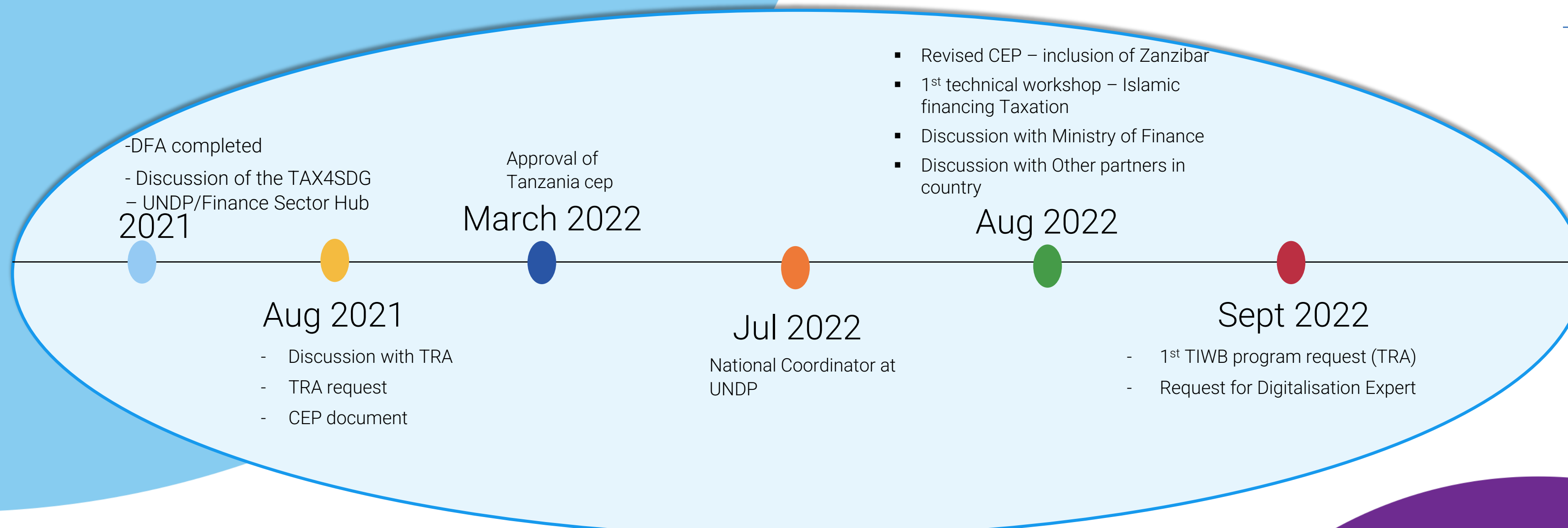
- Demand driven – to address challenges
- Engagement of government in all level
- Partnership and engagement with other partners in country
- Support from the Financing Sector Hub and Regional Office

GOING FORWARD - END OF 2022

- Enrolment of 2nd TIWB program – Zanzibar
- Delivering on TA (digitalisation of tax system, Gender Taxation, Islamic financing Taxation)
- Strengthen dialogue on Taxation with Key institution in country

KEY PARTNERS

- Ministry of Finance and Planning
- Tanzania Revenue Authority
- Zanzibar Revenue Authority
- President Office Finance and Planning Zanzibar
- LGAs and Ministry responsible for LGA supervision (PoRALG)
- Others**
- UN Agencies (UNHabitat, UNCDF, UNWomen)
- Bilateral Missions: Norway and Finland



TANZANIA CEP 2022-23

Output 1

Increased capacity to tackle tax avoidance, evasion and IFFs (TIWB)

Output 2

Government increasingly aligns tax and fiscal policy with the SDGs

Output 3

Evidence and perspectives from United Republic of Tanzania are incorporated into regional & international discussions on taxation

Thank you.

Simon Moshy
National Coordinator (Tax4SDG)
Simon.moshy@undp.org