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TAXATION FOR NONPROFIT ORGANIZATION IN TANZANIA

TAXES PAYABLE BY NGO'S

1. Corporate Tax.
2. Withholding Tax.
3. Capital Gain Tax (CGT).
4. Paye as you earn (PAYE).
5. Skills development leavy (SDL).
6. Stamp Duty.

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1. CORPORATE TAX

NGO's are obliged to pay corporate tax from economic activities, member's subscription, donations and grants.

The applicable rate of corporate tax for nonprofit organization is 30% on annual taxable income.



2. WITHHOLDING TAXES

- a) Withholding Tax on payments of professional service fees and contracts at the rate of 5% for resident and 15% for non resident.

- b) Withholding Tax on Investment Return.



3. CAPITAL GAIN TAX (CGT)

When NGO derives a gain from realization of an interest in land or building situated in Tz shall pay income tax at the rate of 10% if it's resident and 20% if it's non resident.



4. PAY AS YOU EARN (PAYE)

Employees whether full time or part time,
interns, etc

are subject to PAYE if their remuneration exceed
the prescribed
minimum taxable salary threshold.



5. SKILLS DEVELOPMENT

LEAVY (SDL)

The levy chargeable is equal to 3.5% of a total gross monthly emoluments payable to employees.

Gross monthly emoluments includes wages, salary, leave pay, sick pay, bonus, gratuity, traveling, entertainment allowance or any other allowance paid to employees etc



6. STAMP DUTY

The most common instruments for NGOs taxable under the stamp duty Act are;-

- a) Conveyancing documents
- b) Commercial contracts
- c) Valuation reports
- d) Memarts
- e) Power of Attorneys



Contact us for assistance with your tax
matters



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