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PROPERTY TAX DEFAULTERS NOW FACE 12 PER CENT PENALTY 1

Property Tax Defaulters Now Face 12 Per Cent Penalty

Dar es Salaam — Defaulters of property tax payment will now be fined a penalty of 12 per cent at the Bank of Tanzania's (BoT) statutory rate.

This is after they failed to pay the taxes despite a month-long extension that ended on July 31.

Speaking on behalf of the TRA acting director for Tax Payer Services and Education, Ms Daina Masalla, told The Citizen that the interest will be charged to a compounding interest formula.

"We offered two extensions, one at the beginning of July and the second in mid-July which went until end of the month, and those who did not take advantage of the time will now have to pay interest also," she said.

The tax was for the financial year 2016/17 and those who failed to do so will now face legal action and fines.

In another development, Ms Masalla said that the Authority was preparing to inspect all petrol stations to determine those who have installed Electronic Fiscal Devices (EFDs) directly to fuel pumps.

This is after the government issued an ultimatum to the owners to have done so by end of July.

She said the inspection aims at finding out those who have installed the EFDs and those who have not so that appropriate measures including taking them to court would be taken.

"After the inspection and evaluation of the situation, we expect the government to make a decision based on the findings," she said.

In another development, Tanzania Petrol Stations Operators Association (Tapsoa) general secretary Tino Mmasi said that petrol station owners were ready to install the devices, but the problem was that they were faced with a lot of challenges that interfered with their business.

Elaborating, he said when EFDs were introduced in 2014, they were did not know how they worked, this made them discuss with TRA. Both parties agreed to send representatives to Turkey to learn how the system worked. "About 60 to 70 per cent were able to use EFDs but the rest continued to face multiple challenges including breakdown of some of the devices in just a short time," he said.

He said the findings from Turkey showed that traders in that country used full automated machines unlike their Tanzanian counterparts who were using semi automated machines that only record from the pump to TRA, while Turkey's automatically recorded all the information during the purchase of petrol.

Meanwhile the Authority has given a 30-day ultimatum to owners of 84 vehicles to submit import and tax records documents over the vehicles.

The vehicles were imported between 2003 and 2004 and TRA suspects that they were brought to the country using dubious documents or clandestine 'panya' routes.

International Property Tax Institute

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TRA has ordered the owners submit original documents.

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