CHAPTER 124

THE MOTOR VEHICLES (TAX ON REGISTRATION AND TRANSFER) ACT

[PRINCIPAL LEGISLATION]

ARRANGEMENT OF SECTIONS

Section *Title*

SCHEDULES

CHAPTER 124

THE MOTOR VEHICLES (TAX ON REGISTRATION AND TRANSFER) ACT

An Act to make provisions for the registration and transfer of motor vehicles and motor cycles and for other related matters.

[16th June, 1972]
[s. 1]

Acts Nos.	16 of 1983	16 of 1994	8 of 2012
21 of 1972	15 of 1985	17 of 1995	10 of 2015
16 of 1974	10 of 1987	13 of 1996	2 of 2016
29 of 1974	17 of 1990	25 of 1997	8 of 2020
12 of 1981	3 of 1993	13 of 2008	3 of 2021
1 of 1983	2 of 1994	15 of 2010	

PART I
PRELIMINARY PROVISIONS

Short title

Cap. 168

1. This Act may be cited as the Motor Vehicles (Tax on Registration and Transfer) Act, and shall be read as one with the Road Traffic Act.

Interpretation
Act No. 10 of 2015 s. 150
Cap. 399
Cap. 168
GN. No. 665 of 1998

2.–(1) In this Act, unless the context otherwise requires-

"Commissioner" means the Commissioner General appointed under the Tanzania Revenue Authority Act;

"licensing authority", "owner" and "motor vehicle" shall have the meanings assigned to those expressions by the Road Traffic Act;

"Minister" means the Minister responsible for finance;

"registration" means registration of a motor vehicle under Part I of the Road Traffic Act;

"registration tax" means the tax imposed by Part II of this Act;

"tax on transfer" means the tax imposed by Part III of this Act; and

"transfer" means any transaction whereby the property, or any interest in the property, in a motor vehicle is transferred from one person to another person whether pursuant to any sale, mortgage or other arrangement of any kind, and whether or not the transfer is for any valuable consideration.

(2) For the purposes of this Act, a transfer of motor vehicle shall be deemed to have been completed-

(a) where the transfer is accompanied by delivery of the possession of the motor vehicle, on the date on which such delivery is effected; and

(b) where the transfer is endorsed or required to be endorsed on any registration card or register issued or maintained pursuant to the provisions of the Road Traffic Act, on the date on which the endorsement is effected, whichever date first occurs.

Cap. 168

PART II
REGISTRATION TAX

Application of Part II

3.–(1) This Part shall apply to-

(a) a motor vehicle constructed or adapted solely or mainly for the carriage of passengers and their personal luggage and having a seating capacity, as assessed by the licensing authority, for not more than fifteen persons including the driver;

(b) a motor-cycle; and

(c) pick-up, panel truck or similar vehicle of less than three tons load-carrying capacity.

(2) For the purposes of subsection (1), a station wagon, shooting brake or similar vehicle shall be deemed to be constructed mainly for the carriage of passengers and their personal luggage.

(3) References in this Part to a "motor vehicle" shall, unless the context requires otherwise, be construed as references to a motor vehicle to which this Part applies.

Registration

4.–(1) Subject to the provisions of this Part, there shall be charged, levied and collected a tax, to be known as motor vehicle registration tax, at the rate set out in the First Schedule to this Act-

(a) upon first registration of any motor vehicle to which this Act applies;

(b) where in the case of any motor vehicle to which this Act applies registration, tax has not been paid by reason of an exemption under section 6 upon the expiry of the exemption or upon transfer of the motor vehicle to a person not enjoying similar exemption; or

(c) where subsequent to first registration of a motor vehicle to which this Act does not apply the motor vehicle is so adapted as to bring it within a category of motor vehicles to which this Act applies upon the adaptation.

(2) [Omitted.]

Payment of registration tax
Acts Nos.
12 of 1981 s. 25
25 of 1997 s. 30
10 of 2015 s. 151

5.–(1) The registration tax payable under section 4 shall be paid to the licensing authority-

(a) in any case to which paragraph (a) of subsection (1) of section 4 applies, by the person applying for the registration upon the date on which the application for first registration is made;

(b) in any case to which paragraph (b) of subsection (1) of section 4 applies-

(i) where the registration tax becomes payable by reason of expiry of the exemption which is referred to in that paragraph, by the owner within fourteen days of the date on which the exemption expires; or

(ii) where the registration tax becomes payable by reason of the transfer of the motor vehicle to such person who is referred to in that paragraph, by that person upon completion of the transfer; or

(c) in any case to which paragraph (c) of subsection (1) of section 4 applies, by the owner within fourteen days of the date on which the adaptation which is referred to in the paragraph is effected.

(2) Where the person liable to pay registration tax in respect of any motor vehicle fails to pay the same on the due date or within the period on or during which it is required by subsection (1) to be paid, the person so liable shall thereupon become liable to pay a penalty of twenty five per centum of the tax due and a further amount of ten per centum in respect of each period of thirty days during which any tax remains unpaid.

(3) Where the owner has, subsequent to becoming liable to pay registration tax or any penalty, transferred the vehicle to any other person, the owner and that person to whom the vehicle is so transferred and also every other person to whom it may be subsequently transferred shall be jointly and severally liable to pay the registration tax and penalty if any, or any unpaid portion of the registration tax or penalty:

Provided that, these provisions shall not apply only in respect of any person enjoying an exemption in relation to the motor vehicle by virtue of an order made under section 6.

Exemption

6. The Minister may, where in his opinion, it is in the public interest so to do by order published in the *Gazette*-

(a) exempt any category or categories of motor vehicles from the registration tax imposed by this Act; and

(b) exempt any person or class of persons from payment of any registration tax in respect of any motor vehicle or any category or number of motor vehicles owned by that person or class of persons.

PART III
TAX ON TRANSFER

Application

Cap. 168

7.–(1) This Part shall apply to a motor vehicle of any description other than a tractor, which is or has been registered under Part I of the Road Traffic Act.

(2) References in this Part to a "motor vehicle" shall be construed as reference to a motor vehicle to which this Part applies.

Tax on transfer

8.–(1) Subject to the provisions of this Part, there shall be charged, levied and collected a tax to be known as tax on transfer, at the rate specified in the Second Schedule to this Act, upon the transfer of any motor vehicle to which this Act applies.

(2) Notwithstanding the provisions of subsection (1), tax on transfer shall not be payable-

(a) upon the transfer of a motor vehicle by the owner to his or her spouse;

(b) upon the transfer of a motor vehicle to the personal representatives of a deceased owner;

(c) where a motor vehicle is registered jointly in the names of two or more persons as owners, upon the transfer by any one of them of his interest in it to any other of them;

(d) upon the transfer of a motor vehicle to the trustee in bankruptcy of the owner; and

(e) upon transfer of a motor vehicle by any body corporate to any other body corporate which is an associate of the first named body corporate, in the course of the transfer of all the assets of that body corporate to the associate body corporate:

Provided that, the provisions of this paragraph shall not apply where a consideration for the transfer has been or is to be provided directly or indirectly by a person other than the associate body corporate or any body corporate which, at the time of the transfer, was an associate of either the transferor or the transferee.

(3) For purposes of this section-

(a) a body corporate means a body of persons incorporated by or under any written law;

(b) a body corporate shall be deemed to be an associate of another body corporate where-

(i) one of them is the beneficial owner of not less than ninety per centum of the issued share capital of the other; or

(ii) not less than ninety per centum of the issued share capital of each of them is owned by a third body corporate.

Payment of tax on transfer
Acts Nos. 25 of 1997 s. 31
10 of 2015 s. 152
GN. No. 665 of 1998

9.–(1) The tax on transfer payable under section 8 shall be paid by the transferee to the licensing authority upon the completion of the transfer of the vehicle, and where it is not paid upon the completion of the transfer, the transferee shall be liable to pay a penalty of a sum of money equal to twenty five per centum of the tax on transfer and a further penalty of ten per centum for each successive period of thirty days during which the tax on transfer remains unpaid.

(2) Where a transferee has, subsequent to becoming liable to pay tax on transfer or any penalty, transferred the vehicle to any other person, such first named transferee and the person to whom it is so subsequently transferred and any other subsequent transferee shall be jointly and severally liable to pay the tax on transfer and any penalty due in respect of the first mentioned transfer, or any portion of the tax or penalty remaining unpaid:

Provided that, this subsection shall not apply in respect of any person enjoying an exemption in relation to the motor vehicle by virtue of an exemption under an order made under section 10.

Exemption

10.–(1) The Minister may, where he is satisfied that it is in the public interest so to do, by order published in the *Gazette*-

(a) exempt any category of motor vehicles from tax on transfer;

(b) exempt any person in respect of any category or number of motor vehicles transferred to him;

(c) remit in part the tax on transfer payable under this Act in respect of-

(i) any category of motor vehicles; and

(ii) any category or number of motor vehicles transferred to the person specified in the order.

(2) The Minister may, by order under subsection (1), authorise any person or body of persons, to perform, subject to such limitations and restrictions as he may impose, all or any of his functions under this section in relation to any region or district.

PART IV
GENERAL PROVISIONS

Interpretation

11. In this Part, unless the context otherwise requires-

"appropriate tax" or "tax" means either the registration tax payable under Part II or the tax on transfer payable under Part III; and

"motor vehicle" in relation to registration tax, means a motor vehicle to which Part II applies, and in relation to tax on transfer, means a motor vehicle to which Part III applies.

Repealed

12. [Repealed by Act No. 10 of 2015 s.153.]

Powers of licensing authority

13. It shall be lawful for the licensing authority-

(a) to refuse to register a motor vehicle or a transfer until the appropriate tax has been fully paid; and

(b) to call for any evidence, by affidavit or otherwise, to satisfy himself-

(i) of the amount of the tax payable; or

(ii) whether any vehicle, any person or any transaction is exempt from payment of any tax.

Receipt for tax

14. The licensing authority to whom any tax is paid under this Act shall give a receipt for it to the person paying the same:

Provided that, where any payment is made by cheque, the licensing authority may refuse to give the receipt until after the cheque has been duly honored by payment.

Repealed

15. [Repealed by Act No. 10 of 2015 s. 153.]

Forfeiture
Act No.
10 of 2015 s. 154

16. Where a person is convicted of an offence under the Tax Administration Act with respect to tax payable under this Act, the court may, in addition to any tax, penalty or fine imposed, where the offence involves willful non-payment or evasion of tax, order that the motor vehicle in relation to which the tax was not paid or was evaded be forfeited to the United Republic.

Repealed

17. [Repealed by Act No. 10 of 2015 s.155.]

Repealed

18. [Repealed by Act No. 10 of 2015 s.155.]

Repealed

19. [Repealed by Act No.10 of 2015 s.155.]

Burden of proof

20. In proceedings for an offence under this Act or under regulations made hereunder, the burden to prove that-

(a) a person is exempt from payment of any tax;
(b) a person has duly paid any tax; or
(c) by virtue of any provisions of this Act a person, or the motor vehicle or the transfer in relation to which that person is charged, is exempt from any tax,

shall lie on the accused.

Repealed

21. [Repealed by Act No. 10 of 2015 s. 155.]

Fees under Road Traffic Act Cap.168

22. A person shall not, by reason only of any tax under this Act be deemed to be exempt from liability to pay any registration fee or transfer fee payable under the Road Traffic Act.

Regulations

23. The Minister may make regulations for the better carrying out of the purposes and provisions of this Act.

Construction of First Schedule

24. For the purposes of the First Schedule to thisAct-

"a new vehicle" means a vehicle which prior to its first registration in Tanzania was not registered elsewhere, or which is first registered in Tanzania within one year after its having been registered for the first time outside Tanzania;

"registration outside Tanzania" means the registration of the vehicle in the name of its owner, not being the manufacturer of the vehicle or his agent or any dealer, in motor vehicles as such in accordance with the law of any country:

Provided that, where the Minister is satisfied that any motor vehicle has been in the possession of any person, other than the manufacturer of the vehicle or his agent or any dealer in motor vehicles as such, for a period of more than one year in any country under the law of which vehicles are not required to be registered in the name of the owner, he may deem that vehicle to have been registered outside Tanzania for that period; "the appropriate percentage" in relation to paragraph (2) of the said Schedule shall be-

(a) for the first year, twenty *per centum*;

(b) for the second year, *fifteen per centum*; and

(c) for the third and each subsequent year, ten *per centum*; and

"value" in relation to a motor vehicle means the current retail price inclusive of customs duty at Dar es Salaam of a vehicle of the current model of the same make, type and description or, as nearly as may be of the same type and description where the price cannot be ascertained with reasonable accuracy, the value as assessed by the licensing authority.

Omitted

25-28. [Omitted.]

FIRST SCHEDULE

(Made under section 4)

RATES OF REGISTRATION TAX

Acts Nos.
16 of 1974 s. 34
1 of 1983 s. 11
10 of 1987 s. 34
17 of 1990 s. 39
3 of 1993 s. 10
2 of 1994 s. 8
13 of 1996 s. 37
13 of 2008 s. 23
15 of 2010 s. 25
8 of 2012 s. 38
2 of 2016 s. 40
8 of 2020 s. 56
3 of 2021 s. 31

1. In the case of a new vehicle the registration tax shall be-

(a) where the vehicle is a motor cycle, 15% of the value of the motor cycle;

(b) in any other case, where the maximum cylinder capacity of the vehicle-

(i) does not exceed 1200 c.c., 20% of the value of the vehicle;

(ii) exceeds 1200 c.c. but does not exceed 1500 c.c.,25% of the value of the vehicle;

(iii) exceeds 1500 c.c. but does not exceed 1750 c.c.,25% of the value of the vehicle;

(iv) exceeds 1750 c.c. but does not exceed 2000 c.c.,25% of the value of the vehicle;

(v) exceeds 2000 c.c. but does not exceed 2250 c.c.,30% of the value of the vehicle; and

(vi) exceeds2250 c.c.,40% of the value of the vehicle.

2. In the case of a motor vehicle other than a new vehicle, the registration tax shall be the sum payable under paragraph 1 of this Schedule on a new vehicle of the same make, type or description or as nearly as may be of the same type and description less the appropriate percentage of that sum for each full year from the date when the vehicle was registered, either within Tanzania or outside Tanzania, for the first time.

Cap. 148

3. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, where value added tax under the Value Added Tax Act, has been paid in respect of a motor vehicle or where there exists an exemption order exempting a motor vehicle from value added tax, the registration tax payable in respect of that motor vehicle, notwithstanding the cylinder capacity of the motor vehicle shall be two hundred and fifty thousand shillings (250,000/=):

Provided that, registration tax for personalised identification shall be five million shillings renewable after every three years;

Provided further that, registration tax for special registration number shall be five hundred thousand shillings in addition to the registration tax.

4. In case of motor cycle, ninety five thousand shillings (95,000/=).

SECOND SCHEDULE

(Made under section 8)

RATES OF TAX ON TRANSFER

1. In the case of a motorcycle, twenty seven thousand shillings (27,000/=).

Acts Nos. 1 of 1983 2 of 1985 15 of 1985 3 of 1993 16 of 1994 s. 28 17 of 1995 13 of 1996 s. 38

2. In the case of a motor vehicle of carrying capacity of up to three tonnes, or sixteen passengers including the driver, the motor vehicle transfer tax shall be the tax payable in accordance with paragraph 4 and in addition, thirty thousand shillings.

Cap. 148

3. Notwithstanding paragraphs 1 and 2 of this Schedule, where value added tax under the Value Added Tax Act has been paid in respect of a motor vehicle or where there exists an exemption order exempting a motor vehicle from value added tax, the transfer tax payable in respect of that motor vehicle, notwithstanding the cylinder capacity of that motor vehicle, shall be fifty thousand shillings (50,000/=).

4. In the case of any motor vehicle of a carrying capacity exceeding three tonnes or sixteen passengers including the driver and the maximum cylinder capacity of which is within the range specified in the first column of the table below, the motor vehicle transfer tax shall be-

(a) where the transfer takes place within three years immediately following that vehicle's first registration in Tanzania, the sum of money specified opposite to it in the second column of that table;

(b) where the transfer takes place after three years from the date of the first registration but within six years of it, the sum of money specified opposite to it in the third column of that table;

(c) where the transfer takes place after six years from the date of the first registration but within nine years of it, the sum of money specified opposite to it in the fourth column of that table; and

(d) where the transfer takes place after nine years from the date of the first registration, the sum of money specified opposite to it in the fifth column of the table.

TABLE OF RATES OF TAX ON TRANSFER								
FIRST COULUMN	SECOND COLUMN		THIRD COLUMN		FOURTH COLUMN		FIFTH COLUMN	
Range of cylinder capacity	Where transfer Within three years		Where transfer after three years but within six years		Where transfer after six years but within nine years		Where transfer after nine years	
	Shs.	Cts.	Shs.	Cts.	Shs.	Cts.	Shs.	Cts.
(i) Not exceeding 1200c.c	500	00	1,500	00	750	00	250	00
(ii) Exceeds 1200c.c but does not exceed1500c.c.	600	00	1,750	00	875	00	350	00
(iii) Exceeds 1500c.c but does not exceed 1750cc	750	00	2,000	00	1,000	00	450	00
(iv) Exceeds 1750c.c.but does not exceed 2000cc	1,000	00	2,500	00	1,250	00	600	00
(v) Exceeds 2000c.c.but does not exceed 2250cc	1,250	00	3,000	00	1,500	00	750	00
(vi) Exceeds 2250c.c.	1,500	00	5,000	00	2,500	00	1,250	00