



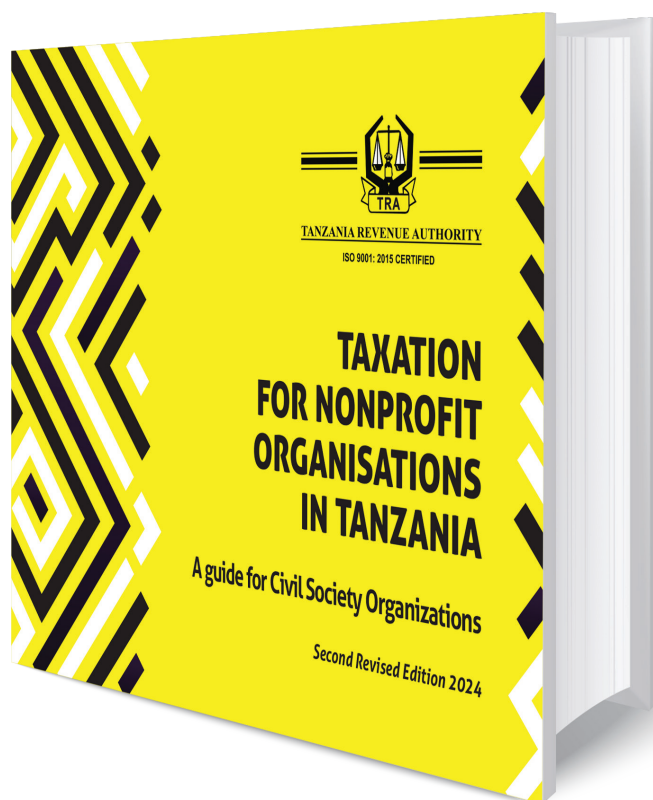
UPDATES ON TAXATION FOR NONPROFIT ORGANIZATION S IN TANZANIA AS PER THE NEW FINANCE ACT 2024

The Government of Tanzania has just published the Finance Act No. 6 of 2024 on June 30, 2024, which is effective from July 1, 2024. This Act imposes and alters certain taxes, duties, levies, fees, and amends various written laws related to the collection and management of public revenues.

Key Amendments in the Finance Act 2024

Part X of the Finance Act 2024, specifically Section 38, has amended the Income Tax Act, Cap. 332. The significant change involves the amendment of Section 64(8), which now includes the advancement of health and environmental protection as criteria for obtaining charitable organization status. This amendment aims to promote charitable services related to health and environmental protection, addressing the effects of global climate change. Even though major parts of NPOs

recommendations for review have not been considered this financial year, we appreciate the government for coming up with these few amendments impacting positively the NPOs.



The updated Section 64(8) of the Income Tax Act now recognizes health and environmental protection activities as qualifying criteria for charitable status. As a result, our revised second edition of the CSOs Tax Toolkit 2024 has been updated on page 29 to reflect these changes.

Current Text of Section 64(8)

Effective from July 1, 2024, Section 64(8) (a) of the Income Tax Act reads as follows:


S. 64(8) For purposes of this section, “charitable organization” means a resident entity of a public character that satisfies the following conditions:

- (a) the entity was established and functions solely as an organization for:
 - (i) the relief of poverty or distress of the public.
 - (ii) environmental protection;”
 - (iii) the advancement of education, or health, or
 - (iv) the provision of public health, education, water or road construction or maintenance.

Implications to Non-Profit Organizations

The amendments to Section 64 of the Income Tax Act provides slight progress in our ongoing advocacy for review of tax regime laws in favor of all major thematic areas of non-governmental organizations. Therefore, the scope of charitable activities recognized for tax exemptions is now widened to include non-profit organizations focusing on health and environmental activities.

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