

THE PETROLEUM LEVY ACT

NO. 7 OF 2001

(PRINCIPAL LEGISLATION)

(THE REVISED EDITION OF 2018)

(This edition of the Petroleum Levy Act No. 7 of 2001, incorporates and consolidates all amendments made in the Act since its commencement up to July, 2018 for easy reference of the Act)

**THE PETROLEUM LEVY
ACT NO.7 OF 2001**

ARRANGEMENT OF SECTIONS

SECTION: **TITLE:**

**PART I
PRELIMINARY PROVISIONS**

1. Short title and Commencement.
2. Interpretation.

**PART II
IMPOSITION OF AND LIABILITY TO PETROLEUM LEVY**

3. Imposition of levy.
- 3A. Exemption.

**PART III
ADMINISTRATION**

4. Incorporation.
- 4A. Hours of attendance.
5. [Repealed]
- 5A. Provision of facilities.
6. Notification.
- 6A. [Repealed]
- 6B. [Repealed]
- 6C. [Repealed]
7. [Repealed]
8. [Repealed]
- 8A. Offsetting of levy.
9. Prohibition of buying fuel outside Zanzibar.
10. [Repealed]
- 10A. Losses and gain in Petroleum products.
11. [Repealed]
- 11A. [Repealed]

PART IV
ENFORCEMENT

- 12. [Repealed]
- 13. Powers of the Commissioner.
- 14. [Repealed]
- 15. [Repealed]
- 15A. Unlawfully acquired petroleum products.
- 16. [Repealed]
- 17. [Repealed]
- 18. [Repealed]
- 18A. [Repealed]
- 19. [Repealed]
- 20. [Repealed]
- 21. [Repealed]
- 22. Repeal and savings.

First Schedule

Second Schedule

Third Schedule

ACT NO. 7 OF 2001

I ASSENT

{AMANI ABEID KARUME}
PRESIDENT OF ZANZIBAR
AND
CHAIRMAN OF THE REVOLUTIONARY COUNCIL

5 December, 2001

AN ACT TO REPLACE PROVISIONS FOR THE IMPOSITION OF A TAX TO BE KNOWN AS THE PETROLEUM LEVY ACT ON SUPPLIES OF PETROLEUM PRODUCTS AND FOR OTHER MATTERS RELATING THERETO AND CONNECTED THEREWITH

ENACTED by the House of Representatives of Zanzibar.

Amended by Acts Nos. :

10 of 2003

9 of 2004

13 of 2005

1 of 2006

6 of 2006

7 of 2007

9 of 2008

7 of 2009

9 of 2012

10 of 2013

3 of 2014

6 of 2017

9 of 2018

PART I PRELIMINARY PROVISIONS

**Short title and
Commencement**

1. This Act may be cited as the Petroleum Levy Act, 2001, and shall come into operation upon being assented to by the President.

Interpretation

2. In this Act unless the context otherwise requires;

“Agent” means a person duly authorized by any taxable person under the provisions of this Act, to act on his behalf;

"Authorized Officer" means any officer acting under the authority of the Commissioner for the purpose of execution of this Act;

"Board" means the Zanzibar Revenue Board established by Act No. 7 of 1996;

"Bonded warehouse" means any structure, or building licensed by the Commissioner for the deposit of petroleum products on which inland taxes on the products have not been paid and which have been entered to be warehoused;

"Commissioner" means the Commissioner of the Board and includes any person to whom the Commissioner has delegated all or any of his function under this Act;

"Company" means any body corporate registered under Companies Decree engaged in the business of importing or marketing Petroleum Products in Zanzibar;

"Government" means the Revolutionary Government of Zanzibar and includes its Parastatals and body corporate;

"Gross payment" means prepayment system whereby payments of taxes under the provisions of this Act are made in advance before tax liability becomes due and payable for the purpose of full settlement of tax liability when it becomes due for particular transactions or a given time intervals;

"Import" means to bring or cause to be brought into Zanzibar Petroleum Products;

"Importer" means the duly licensed supplier of petroleum products into Zanzibar;

"Levy" means the Petroleum Levy charged under this Act;

"Marketer" means any person who deals with business of trading of petroleum products in Zanzibar;

"Minister" means the Minister responsible for Finance;

"Owner" in respect of petroleum products includes importer, marketer and operators of filling stations;

"Petroleum Levy" means any levy imposed under this Act;

"Petroleum Products" means mineral oil and all products of petroleum as specified in the First Schedule to this Act;

*Inserted by
Act No. 7 of 2007,
section 13.*

"President" means the President of Zanzibar and Chairman of the Revolutionary Council;

"Refined petroleum products" means the petroleum products as specified in the First Schedule of this Act which are refined from crude oil processed in Zanzibar;

*Inserted by Act No. 6
of 2017 section 22*

"Unit" means the amount of money as may be determined from time to time by the Minister through official gazette for the purpose of determining various penalties payable under this Act;

*Inserted by Act
No. 6 of 2006,
Section 17*

"Zanzibar Tax Appeals Board" means the Zanzibar Tax Appeals Board established under Act No.1 of 2006.

PART II IMPOSITION OF AND LIABILITY TO PETROLEUM LEVY

**Imposition
of petroleum levy**
*Amended by
Act No. 10 of 2013,
section 8.
Inserted by Act No. 6 of
2017 section 23*

3. (1) There shall be a charged, levied and collected a levy to be known as petroleum levy imposed in respect of petroleum products imported in Zanzibar and refined petroleum products at the rates respectively specified in the schedule to this Act to be paid to the Commissioner.

(2) The provisions of Customs Laws on assessment, payment and collection of taxes on imports shall apply mutatis mutandis to assessment, payment and collection of the Petroleum Levy. Provided that rates of petroleum levy shall be determined at the time of importation or at the time by the release by the customs in Zanzibar.

(3) Subject to the provisions of this Act, importation of petroleum product shall be supported with landing certificate for each consignment

(4) The Minister may from time to time by the order published in the Gazette amend, add, vary or replace the schedule.

Exemption

*Inserted by
Act No. 7 of 2007,
section 14.*

3A. Notwithstanding the provisions of this Act, the Minister may exempt any technical aid or donor funded project from payment of petroleum levy if the agreement relating to such project provides for tax exemption.

**PART III
ADMINISTRATION**

Incorporation

*Amended by
Act No. 10 of 2003,
section 12.*

4. (1) For the purpose of this Act, every Importer or Marketer of petroleum products in Zanzibar shall register or incorporate his Company in Zanzibar.

(2) Every importer, marketer or operator of filling station of petroleum product in Zanzibar shall be required to have calibrated storage tanks as prescribed by the Regulations made under this Act.

**Hours of
attendance**

*Inserted by Act
No. 13 of 2005,
section 31*

4A. Where any person desires the attendance of any authorised officer at a time outside the hours of general attendance then such person shall make request therefore on the prescribed form to such officer at the place where such attendance is desired and subject to the provisions of any Regulation to the payment of the prescribed fees, the grant of such request shall not be unreasonably refused by the authorised officer.

5. [Repealed by Act No. 9 of 2018, s. 14.]

**Provision of
facilities**

*Inserted by Act
No. 13 of 2005,
section 32*

5A. (1) The Commissioner may, for the purpose of ensuring proper Petroleum Levy control, require an importer or a marketer as the case may be, to provide and maintain, to the satisfaction of the Commissioner, suitable office accommodation and equipments in a depot area for the officer assigned to the duty of petroleum levy control of such depot.

(2) Every importer or marketer shall provide and maintain at his depot area all such equipments as may be

necessary in order to enable the authorised officer to take account of, or check, or gauge or measure all petroleum products or material in such depot.

(3) Where any owner fails to comply to the satisfaction of the Commissioner with any requirements made by the Commissioner under the provisions of subsections (1) and (2) of this section then the Commissioner may revoke, suspend or direct not to renew the license of such owner.

Notification

6. (1) For every importation, the importer shall submit to the Commissioner a notice in prescribed form indicating description, quantity, and value of his intended importation at least two working days before the arrival of the products in Zanzibar.

(2) Any importer who fails to give notice under this section shall be guilty of an offence; and shall be liable to a penalty equivalent to 1% of CIF value of the imported petroleum products or 10 units whichever is greater.

6A. [Repealed by Act No. 7 of 2009, s. 74]

6B. [Repealed by Act No. 7 of 2009, s. 74]

6C. [Repealed by Act No. 7 of 2009, s. 74]

7. [Repealed by Act No. 7 of 2009, s. 74]

8. [Repealed by Act No. 7 of 2009, s. 74]

Inspection and checking

*Amended by
Act No. 10 of 2013,
section 9*

8A. (1) For the purposes of exercising any powers conferred under the Act, the Commissioner or any authorized officer may, at any time, enter, check and inspect any premises, oil installation, filling station, or any vessel which he has reason to believe are being used for storing petroleum products or in connection with the carrying of petroleum products.

(2) Subject to the provisions of subsection (1), the Commissioner shall have the power to seize and forfeit

any petroleum products, which he has reason to believe that the tax has not been paid or has been imported contrary to the provisions of the tax law, at the time of such entrance, checking or inspection as the case may be.

Prohibition of buying fuel outside Zanzibar

9. (1). Subject to a written permission of the Commissioner, every Zanzibar registered sea going vessel shall bunkers its fuel only in Zanzibar for its voyages within Tanzania waters.

(2) Any Master who contravenes this section shall be guilty of an offence and shall, in addition to any fine payable under this Act, pay all the taxes provided under the schedules to this Act within seven days of such purchase.

(3) The Commissioner may, by notice, suspend the operations of any sea transport until the amount due under subsection (2) is fully paid.

10. [Repealed by Act No. 7 of 2009, s. 74]

Losses and Gain in Petroleum products

Amended by Act No. 10 of 2013, section 10

10A. (1) For the purposes of ascertaining the amount of levy to be charged on gain or loss for importation of petroleum products, there shall be computed by reference to the gain or loss of petroleum products as mentioned in the Regulations made under this Act as a percentage of the quantity imported in Zanzibar and the quantity bought from the source of origin.

Inserted by Act No.13 of 2005 section 37

(2). Subject to the provisions of subsection (1) of this section and unless otherwise provided in this Act or regulations made under it, the levies shall be deemed to be paid in accordance with the provisions of this Act, in case where:-

- (a) any gain; or
- (b) any losses in excess of 0.5 %.

Provided that, the proper Officer certify that no part of the loss is due to irregular practice.

*Inserted by Act No.
13 of 2005
section 37*

(3) Notwithstanding the provisions of subsection (2) of this section, the Commissioner may, after consultation with the proper officer exercise his discretion as to whether a charge of levy to be raised or remitted in respect of such gain or such losses as the case may.

11. [Repealed by Act No. 7 of 2009, s. 74]

11A. [Repealed by Act No. 7 of 2009, s. 74]

PART IV ENFORCEMENT

12. [Repealed by Act No. 7 of 2009, s. 74]

Powers of the Commissioner

13. (1) The Commissioner may by a notice in writing, summons any owner to appear before him and or answer such questions whether orally or in writing, as may be put to him by the Commissioner in respect to his importation or sales.

(4)(2), (3) and (4) [Repealed by Act No. 7 of 2009, s. 74]

*Inserted by Act No.
9 of 2004,
section 18*

(5) The Commissioner or any authorized officer shall have the power to seize and forfeit any petroleum products which believed that in land taxes not paid on that product.

*Inserted by Act No.
6 of 2006
section 19*

(6) [Repealed by Act No. 7 of 2009, s. 74]

*Amended by Act No.
3 of 2014
Section 17*

(7) Any vessel, devices, containers, equipment, vehicles, any property, animal or other things found conveying petroleum products believed that taxes have not been paid shall be liable to forfeiture.

(8) [Repealed by No. 7 of 2009, s. 74]

14. [Repealed by Act No. 1 of 2006, s. 20]

**Unlawfully
acquired
petroleum
products**

*Amended by Act No.
9 of 2012,
section 19.*

15. [Repealed by Act No. 7 of 2009, s. 74]

15A. (1) No person is allowed to engage in the business of buying, selling, storing or transporting petroleum products other than those lawfully allowed in accordance with the provision of this Act and Regulations made thereunder.

(2) Any person found in possession of any petroleum products in contravention of this section shall be guilty of an offence and on conviction shall be liable to a fine not less than One Million Shillings but not exceeding 20 Million; and in addition to the said penalty, the unlawfully possessed petroleum products and any device, containers, equipment, vehicles, property used for the transportation and storage of the unlawfully possessed petroleum products shall be seized and forfeited.

16 [Repealed by Act No. 7 of 2009, s. 74]

17. [Repealed by Act No. 7 of 2009, s. 74]

18. [Repealed by Act No. 7 of 2009, s. 74]

18A. [Repealed by Act No. 7 of 2009, s. 74]

19. [Repealed by Act No. 1 of 2006 s. 38]

20. [Repealed by Act No. 1 of 2006 s. 38]

PART V

MISCELLANEOUS PROVISIONS

21. [Repealed by Act No. 7 of 2009, s. 74]

**Repeal
and Savings**

22. The Petroleum Products Act, 1991 is hereby repealed. Provided that anything done under the said Act (No.3 of 1991), which is in force on the effective date, shall be deemed to have been made under the provisions of this Act.

FIRST SCHEDULE:

TYPES OF PETROLEUM PRODUCTS

1. Motor Spirit Regular (MSR)
2. Motor Spirit Super (MSP)
3. Illuminating Kerosene (IK)
4. Gas Oil (GO)
5. JET A 1
6. Avgas
7. Diesel Oil (IDO)
8. Heavy Industrial fuel

SECOND SCHEDULE:

LEVIES IMPOSED

(a) IMPORT

- i) Import Duty (according Customs Tariff)
- ii) Excise Duty

(b) INLAND

- i) Petroleum Levy
- ii) Fuel Sector Development Fund
- iii) Road Development Fund
- iv) Road Licence Fees

*Amended by
L.N No. 21
2014*

THIRD SCHEDULE:
VALUE OF UNIT

One **unit** is equivalent to Tanzania Shillings one hundred thousand.

Passed in the House of Representatives on the 22nd day of October 2001.

{KHAMIS JUMA CHANDE}
CLERK OF THE HOUSE OF REPRESENTATIVES