Coalition faults govt move on property tax

By Getrude Mibogo

THE Coalition of Tanzania Civil Society Organisations (Policy Forum) has faulted the government's move to transfer the mandate of collecting property tax from local government authorities to Tanzania Revenue Authority (TRA), saying the move had deprived municipalities of their much-needed funds thus delaying the implementation of development projects.

Addressing reporters yesterday in Dar es Salaam, chairman of local governance working group-Policy Forum Israel Ilunde urged the government to rethink its decision as the move will cripple the country's local councils.

"Property tax was a major source of revenue for local government authorities as it had always been. We have only changed the system of collecting it," he said.

According to him, what the government should do is not transferring tax collection power to the central government but to improve local government authorities, administratively, financially and politically so that they could be free to implement their development projects.

He also called upon the government to ensure that it sends enough grants to local government to ensure that development issues are implemented timely. The camp argued that property tax was among the major sources of revenue for the local councils and that the decision to leave the task to TRA will negatively impact on the authorities.

Last year while unveiling the national budget proposal for the 2016/17 financial year, Finance and Planning Minister, Dr Phillip Mpango, said in the National Assembly that the government decided that TRA should take over the duty of collecting property tax from the local governments. He noted that the move was aimed at maximizing revenue collection from the current booming housing sector.

The minister said that the decision was based on TRA's experience in revenue collection, existing tax collection systems and coverage across the country as well as lessons learnt from other countries such as Ethiopia and Rwanda.