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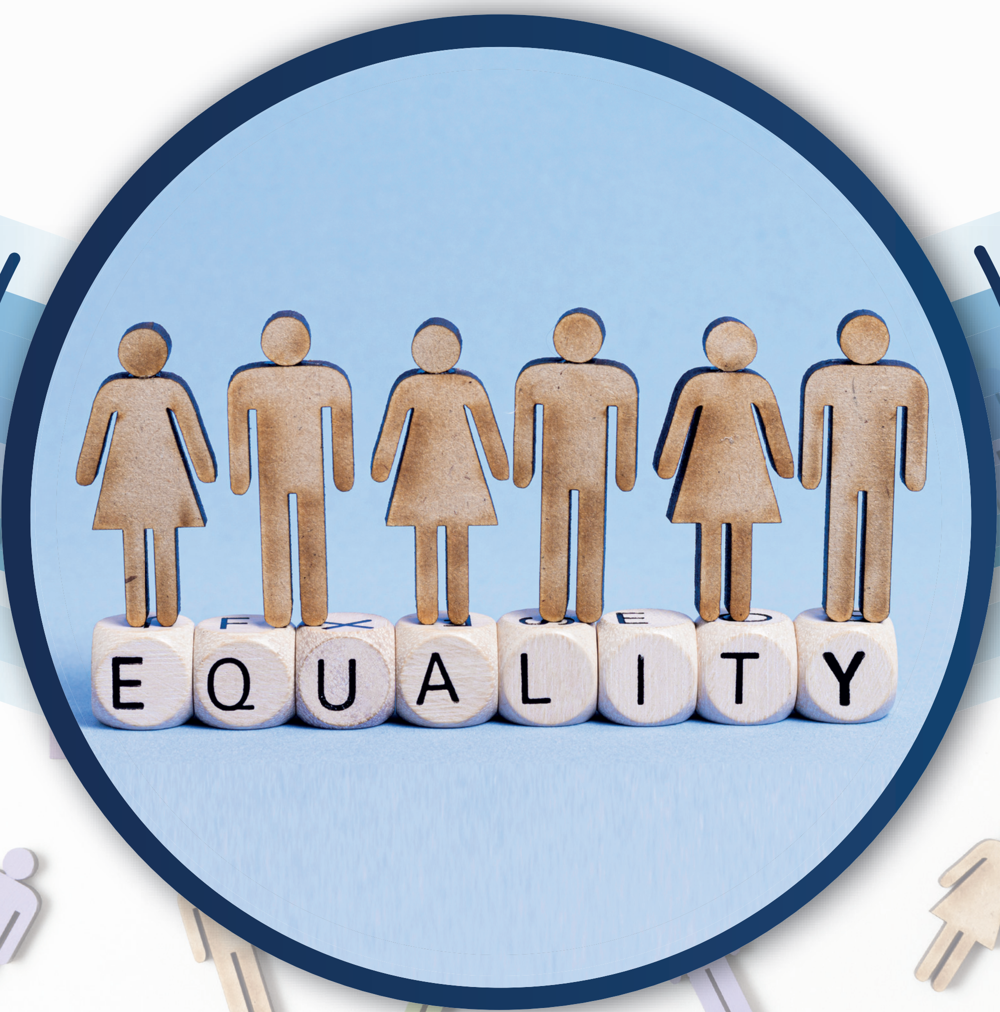

MARGINALIZATION AND GENDER INEQUALITY WITHIN TAX REGIME IN TANZANIA

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EXECUTIVE SUMMARY

This work is geared at providing a brief analysis of the marginalized and gender inequality within the tax regime in Tanzania.

It intends to explore, via deskwork, how the tax regime in Tanzania addresses gender inequality and the possibility of mitigating the intersectionality that further inequality in taxation.

The purpose is to promote equity and fairness in the taxation system and ensure that both women and other marginalized individuals pay their fair share of taxes.

As detailed within this paper, the anatomy of the taxation system in Tanzania is composed of union and non-union taxes.

There are also local government and regulatory taxes which are administered by local authorities as well as regulatory bodies or authorities.

Despite the existence of a clear tax administration system for Tanzania Mainland and Zanzibar, the existing tax regime still harbour aspects of gender inequalities which place women and other marginalized groups in disadvantaged positions, in terms of the way taxes are imposed and administered.

This study, has therefore examined the nature and the extent of gender inequality, the intersectionality and the emerging key issues that require redress within the tax regime in Tanzania.

Besides, the study has observed that the existing tax regime is heavily based on consumption taxes (the VAT and Excise tax) and has unhealthy tax incentives and exemptions designed to benefit investors.

On the other hand, women assume much of the unpaid work at family level and are disadvantaged by the tax regime in the way it treats both men and women, and it has an implicit gender bias on user fee, especially the toilet charge.

Tax incentives are largely not in favour of women as most of the consumption taxes don't have special gender sensitive incentives. There are also few women in decision-making bodies, and this implies lesser consideration on issues hindering women in attaining fairness in taxation.

This work has developed a set of suggestions that can be adopted to promote wider community engagement, especially on women and other marginalized groups in participating on key tax issues by focusing on provision of tax and lobbying for more women participation in decision making bodies.

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ABBREVIATIONS

BRELA	Business Registration and Licensing Authority
COURT	Constitution of United Republic of Tanzania
CSOs	Civil Society Organizations
EATGN	East African Tax and Governance Network
EFD	Electronic Fiscal Devices
GDP	Gross Domestic Products
ICTD	International Centre for Tax and Development
ID	Identity for small vendors and service providers
IPU	Inter-Parliamentary Union
ITA	Income Tax Act, Cap 332 of 2004
NBS	National Bureau of Statistics
NEMC	National Environment Management Council
NGO	Non-Governmental Organisation
PAYE	Pay As You Earn
PIT	Personal Income Tax
SDL	Skills and Development Levy
TARURA	Tanzania Rural and Urban Roads Agent.
TFDA	Tanzania Food and Drugs Authority
TFS	Tanzania Forest Service Agency
TJN	Tax Justice Network
TRA	Tanzania Revenue Authority
TZS	Tanzania Shillings
UNDP	United Nations Development Programme
URT	Unites Republic of Tanzania
USD	United States Dollar
VAT	Value Added Tax, Cap 148 0f 2014
VETA	Vocational Educational and Training Authority
ZRB	Zanzibar Revenue Board

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PART ONE
INTRODUCTION

1.0 Background

Successive Governments in Tanzania have been grappling with the problem of generating enough resources to reduce poverty and fund essential public services.

Decisions have had to be made which services the government should provide and who should pay for them, including the share paid by men and women as consumers, workers, and employers.

A key challenge facing developing countries, including Tanzania, is ability to generate sufficient public resources in a way that does not place an undue burden on the poor and the marginalized. Since women are particularly vulnerable to poverty, systematic and robust assessments of how developing countries are attempting to increase their revenue pool and the impact of this on poor women are urgently required.

But in Tanzania, to date, neither tax literature nor public debates have adequately addressed how gender-based differences in behaviour affect tax equity considerations and outcomes. Gender issues, however, continue to be downplayed, ignored, or repeatedly addressed at the periphery of policy dialogue and decision-making, resulting in macroeconomic policy failures that have a clear correlation with the degree of gender inequality.

1.1 Objectives of this paper

Marginalized groups, particularly women, might suffer from explicit and implicit biases in the tax regime.

According to Stotsky (2006) explicit gender bias "occurs when the tax legislation contains specific provisions that treat women and men differently".

Explicit bias generally happens when an income, expenses or tax credit of household is allocated to one member of the household. Contrary, implicit gender bias occurs "where tax legislation intersects with gender relations, norms and economic behaviour" (Stotsky, 2006). Thus, these biases result from gendered social norms and economic arrangements producing different tax impact on men and women.

When either of these biases happen, efforts to reduce gender inequity in society become hard and require both gender-sensitive tax regimes and expenditure (UNDP, 2010).

Therefore, this preliminary study is an initiative towards facilitating the conduct of gender research to understand tax inequality in Tanzania.

It hopes to spur interest from academia, policymakers, faith-based groups, private sector and Civil Society Organizations (CSOs), to understand and advocate for better tax policies within their spheres of influence to achieve sustainable development goals.

This desk-work is expected to enlighten the understanding of the manifestation of tax disparities through gender lenses by identifying factors enhancing marginalization of women and minority groups due to unfair tax regimes or poor governance, and pinpointing the forces behind resource leakages, and how women and other minority groups or communities are excluded within mitigating measures.

The study ultimately aims to recommend relevant actions that should be taken by CSOs, government and other stakeholders and developing a strategy and plan of action to ensure gender mainstreaming in tax governance is realized.

1.2 Methodology

This paper is a desk-based research whose purpose is to conduct research on marginalized and gender inequality within the tax regime in Tanzania.

Relevant pieces of literature and tax laws were reviewed, government data from National Bureau of Statistic (NBS) and Tanzania Revenue Authority (TRA) were obtained and analyzed using gender lens to examine implicit and explicit gender and other marginalized bias in within the tax regime in Tanzania. The analysis focused on trends, gaps, and opportunities for CSOs to contribute towards improving fairness and gender equality in taxation.

1.3 Outline of the report

This report is presented in four parts, in accordance with the term of reference. Part One presents the introduction, which constitutes the background, objectives and methodology of the study.

Part two presents intersectionality. Part three examines determinants for intersectionality of marginalized and gender inequality within tax regime in Tanzania.

Part three, examines the nature and extent of marginalization and gender inequality within the tax regime in Tanzania, and the main issues emerging from marginalization and gender inequality within the tax regime in Tanzania, the conclusion of the study and recommendations are presented in part four.

PART TWO
INTERSECTIONALITY

2.0 Intersectionality – A Conceptual Framework

2.1 A background to intersectionality

This concept studies diverse schemes of repressions and how they are interconnected and compounded. It is a theoretical framework that proposes several social groups of social identities like race, ethnicity, gender, sexual orientation and socioeconomic rank, usually intersect "at the micro-level of individual experience to reflect multiple interlocking systems of privilege and oppression at the macro, social-structural level" (Bowleg, 2012).

Consequently, intersectionality advocates that programmes designed to solve gender discrimination should consider all forms of discriminations, oppressions and the interaction between them.

2.2 The utility analysis of intersectionality in gender and other marginalized groups within tax regime

Marginalization and gender inequality within tax regimes are caused not only by being male or female, educated or not educated, poor or rich or belonging to a particular group but by multiple intersecting identities and multiple interlocking privileges and oppression. In advocating for gender tax justice, intersectionality is important in analyzing how tax burden or incidence, tax types, amount or revenues collected, uses of tax revenue intersection with women and other marginalized.

2.3 The nexus of intersectionality and marginalization in Tanzania

Many factors cause marginalization of a person or group in a society. Marginalization is a process of "social exclusion from the dominant socio-economic, cultural and political structure resulting from screwed distribution of scarce resources".

In this study, we borrow definition of the marginalized communities from the Constitution of Kenya (2010) as one or more of the following:-

A community that, because of its relatively small population or for any other reason, has been unable to fully participate in the integrated social and economic life as a whole.

A traditional community that, out of a need or desire to preserve its unique culture and identity from assimilation, has remained outside the integrated social and economic life as a whole.

An indigenous community that has retained and maintained a traditional lifestyle and livelihood based on a hunter or gatherer economy; or pastoral persons and communities, whether they are: (i) nomadic or (ii) a settled community that, because of its relative geographic isolation, has experienced only marginal participation in the integrated social and economic life of as a whole.

The Constitution of the United Republic of Tanzania (CoURT) enshrines equality to all people, regardless of gender and prohibit any kind of discrimination on the basis of their nationality, tribe, place of origin, political opinion, colour, religion, sex or station in life (CoURT, Cap 2). In this regard, it does not provide for special treatment based on gender and other marginalized groups save only for the disabilities in the society (Article 13 of CoURT, Cap 2).

Thus, article 12 provide that all "All human beings are born free, and are all equal." Besides, the rationale for adopting the definition of marginalized communities from the Constitution of Kenya (2010) is because the CoURT, Cap 2 does not provide for.

Nevertheless, marginalized groups do exist in Tanzania and hold a special place on national and international agenda. This include the gender inequality between men and women, and other marginalized groups/ communities like the Hadzabe, the Masai, the elderly, the children, the poor (abject poverty) and the disabled persons.

2.4 Determinants for intersectionality of Marginalized and Gender Inequality within the Tax Regime in Tanzania

2.5 Unpaid Family-care works by women

Income taxes are charged on income derived by taxpayers mainly in monetary as unpaid works are not taxed in the tax net. The majority of paid-up work in Tanzania is undertaken by men, whilst women are mostly concentrated in informal sectors and unpaid care works.

These unpaid care works done by women include caring for children, fetching water, cooking, caring for children, the sick and the elderly, and assisting other families and the community at large (Oxfam, 2014). Also, unpaid works can be in terms of engaging more in subsistence agriculture, making clothes and engaging in the unsalaried family business. These unpaid works are important in enabling society and the economy to strive. However, they prevent women from more participation in paid work, public life, community life and leisure.

It has been established that men perform only one-quarter of unpaid care work worldwide (The East African Tax and Governance Network (EATGN), 2019). It is estimated that men lived 23 years less than women doing unpaid care work (Action Aid).

Consequently, women have to engage in informal sector so that they can complement the unpaid home care works.

The informal sector has normally poor payment with precarious environment.

In 2014, many people in Tanzania were employed in the informal sector while male constituted 2% of the unpaid family helper in the agricultural sector compared to 4.9% of female (Figure 1). Female also spend two hours more in a week (51 hours) than males (49 hours) (Figure 2).

Figure 1: Unpaid Family Helper

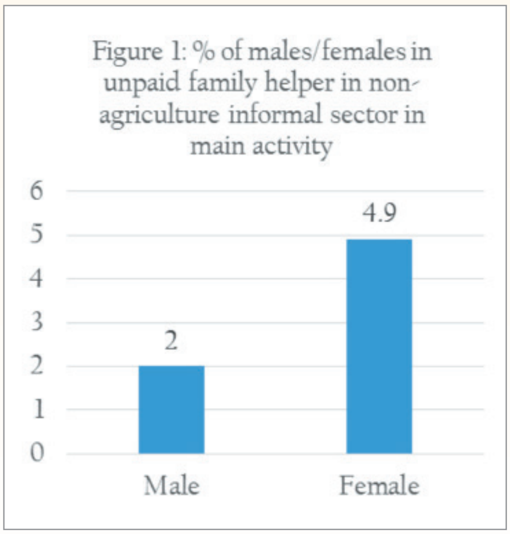
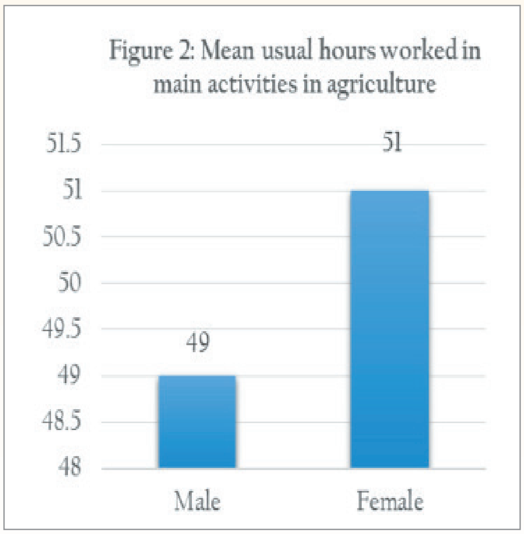


Figure 2: Weekly working hours by gender



Source: United Republic of Tanzania, 2014

Furthermore, it has been found that men are often paid higher salaries than women for work of the same value. For example, in 2016 adult women working in regularly work earned just above half of the men income (See Table 1).

The salaries differences were noted both in the private and public sector (See Table 2).

Table 1: Percentage Distribution of Citizen Employees by Wage Rate and Sex, 2016

Monthly wage rate	MALE	FEMALE	TOTAL
Up to 100,000	6.3	7.8	6.9
100,001 – 150,000	15.1	14.2	14.8
150,001 – 300,000	20.6	16.2	18.9
300,001 – 500,000	18.5	18.9	18.6
500,001 – 900,000	22	24.5	22.9
900,001 – 1,200,000	8.3	10	8.9
1,200,001– 1,500,000	4.4	4.7	4.5
Above 1,500,000	4.9	3.8	4.5
Total Percent	100	100	100
Total Citizen Employees			

(Source: United Republic of Tanzania, 2016)

Table 2: Percentage Distribution of Adult Citizen Employees by Wage Rate, Sector Adult Citizens and Sex

	PRIVATE			**PUBLIC**		
Wage Rate (TShs)	**MALE**	**FEMALE**	**TOTAL**	**MALE**	**FEMALE**	**TOTAL**
Below 65,000	3.2	2.9	6.1	0.1	0.2	0.3
65,000-150,000	24.2	12.2	36.6	1.3	0.8	2.1
150,001-300,000	18.2	8.3	26.5	18	11.3	29.3
300,001-500,000	9.4	5	14.4	17.1	13.5	30.6
500,001-1,500,000	9.1	4.8	13.9	20	14.2	34.2
Above 1,500,000	1.8	0.7	2.5	2.6	0.9	3.5
	65.9	**34.1**	**100**	**59.1**	**40.9**	**100**
TOTAL	**498,912**	**258,699**	**757,611**	**312,322**	**216,483**	**528,805**

(Source: United Republic of Tanzania, 2016)

In Tanzania, there are strong pieces of evidence suggesting that the burden of care work carried by women cause inequalities and result in implicit bias in the existing tax regime to women. Thus, as it has been shown before, the tax regimes depend much on broad indirect taxes as VAT which don't consider women's special conditions that prevent their ability to produce and earn more income. It is argued that unpaid care work which is mostly done by women are *"hidden subsidies to the economy which goes unrecognized thus imposing a time-tax on women" (Morangi, 2014).*

2.6 Inequitable Distribution of Resources, Public Goods And Services Especially Those Impacting Women

Distribution of good-quality public services reduce and redistribute unpaid care which reduces the burden of women (Sharpe, 2016; Josh, 2016).

Generally, the government is responsible for providing public services like health care, education, electricity, water and sanitation. Moreover, governments are expected to promote gender equality and the rights of women and other marginalized groups. For example, by providing these public services, women with access to piped water do not spend much of their time fetching water.

Therefore provision of public services decrease women's unpaid care burden (Sharpe, 2016).

Despite remarkable improvement in the provision of public services (United Republic of Tanzania, 2016), existing inequalities imply the level of maximizing public revenue by investing in gender-responsive services capable of reducing gender inequality and foster fairness in the existing tax regime is not satisfactory.

Moreover, the existing inequalities in gender and other marginalized groups is due to non-gender responsive budget. Therefore, the burden for women is high where there is lack of good health and education services. In such circumstances, women tend to engage more in unpaid works compared to men instead of improving their income and livelihoods.

2.7 Gender differences in consumption

Women and men spend their incomes and services differently. It has been found that a large portion of women's income are spent on food, medicines, children's clothes and school supplies than what men do with their incomes (Wanjala and Muthenge, 2006).

The effect of consumption taxes on income is vivid when goods and services consumed are taxable, women spend more of their incomes in paying indirect taxes because of their roles in family care and shopping habits.

Therefore, gender differences in consumption makes the Tanzania tax regime implicitly biased against women as it depends, significantly, on indirect taxes and does not take into consideration the differences in expenditure patterns between men and women.

2.8 Gender differences in property rights and other asset ownership

Ownership of property rights and other assets is to a large extent, gender biased. Several researchers observed that, in many countries few women own land and/or have shareholding interests on real properties notwithstanding that they provide unpaid labour to them (The East African Tax and Governance Network (EATGN), 2019).

However, there is scant research on the relationship between property ownership and gender equity, hence more research is needed in this area.

Furthermore, the UN Women (2011) found that after an introduction of tax exemption of capital gain on transfer of assets to women in Nepal, there was a threefold increase in women's land ownership between 2001 and 2009.

This increase, however, does not solve the question of power disparities in the actual control of assets which tax regime cannot solve it alone the change in gender relations.

2.9 Structure of the tax regime

There are several sources of tax revenues to any government in the globe; they include income tax in way of employment, personal and corporate profits; wealth taxes (assets and property taxes), consumption taxes (value added taxes and excise duties); instrument taxes (stamp duty) and regulatory taxes (user charges, permit and license fees).

Likewise, governments can raise revenues from non-tax revenue sources as market fees, user fees and royalties from natural resources and doing businesses. The gender equality and women's right of a particular country depends on these mix of sources of government revenues (Sharpe, 2016).

Reliance on direct taxes may enhance gender equity and promote women's rights towards tax justice by increasing tax burden on those who are capable to pay (ability to pay principle).

On the contrary, since indirect taxes are regressive in nature, then imposing tax on consumption without considering their income, or adopting a poor tax design of indirect taxes hurt more the marginalized and female households disproportionately (Lahey, 2018).

2.10 Exclusion of women and marginalized minorities in fiscal decision-making processes

Participation in decision making is important in improving fiscal regimes and gender equity. It is reported that taxpayers support a particular tax regime when they are involved in deciding what tax to pay, at what rate and how funds are to be utilized (Josh, 2016).

Participation can also improve the confidence and better the competence of tax administration, business environment and government performance at large leading to more investment and surge in donor support (Tanaka, 2007; Larkin, 2013; Beuermann & Amelina, 2014).

Public participation of women and other marginalized minorities in decision-making, however, is still low in Tanzania.

The East African Tax and Governance Network (EATGN) (2019), suggested that this low participation may be due to inadequate access to information, wrong methods of engagement or absence of policy, making platform.

Thus women and other minority groups should participate, meaningfully, in decision-making regarding topics that have a bearing effects on the quality of their livelihoods (Oxfam, 2017).

In Tanzania, data from National Bureau of Statistics, the 2015- 2016 Demographic Health Survey and Malaria Indicator Survey indicates that participation of women in decision-making was relatively low, making it one of the key gender issues.

Decision, making is defined to include various decisions made at the household level, including decision on health care and major household purchases (Mwakasangula, Msabila and Mushi, 2010).

The data indicated that less than 40 per cent of married women reported that major household purchases are done mainly by their husbands, married men reported that more than 50 per cent of the major household purchases are done by themselves. The figure further reveals that more than 50 per cent of married men and women made decisions on health care jointly.

Participation of women in decision, making is important in threefold. First, it enables women to know and decide on how their taxes are being used, becoming effectively, part of the development process (Warioba, 1999).

Second, women participation increases accountability and efficient use of resources. Usually, women use resources more efficiently than men (Oxfam, 2014).

Third, women who participate in decision, making are more independent and can confidently face their daily challenges.

In spite of the noted achievement in improving women access to decision, making and income, there are still downgrading and under-representation of women in public life where important decisions are made (Mwakasangula, Msabila and Mushi, 2010).

Thus, while women are less involved in planning and evaluation; they are heavily involved in the implementation phase.

In terms of political participation, as in 2017, women constitute only 36.4% of all national parliamentarians (Inter-Parliamentary Union (IPU)).

Whilst, in 2015, for the first time, Tanzania has a woman Vice-President, Her Excellency Hon.

Samia Suluhu Hassan. This is a significant, symbolic step towards the improvement of participation of women and marginalized groups in decision making.

PART THREE
NATURE AND EXTENT OF MARGINALIZATION AND GENDER INEQUALITY WITHIN THE TAX REGIME IN TANZANIA

3.0 Introduction

Gender equality and taxation have been a key focus of discussion about fiscal policies on public finance, financing for development as well as in the debate on the responsibility of the government towards its citizens. It is widely recognized that developing countries must raise adequate revenue from taxes to ensure sustainable financing of their poverty reduction and growth strategies. Moreover, relying on taxation for financing government expenditures can have a governance dividend by fostering domestic accountability between government and citizens.

3.1 Structure of the tax regime in Tanzania

The anatomy of the taxation system in Tanzania is composed of both union and non-union taxes. There are also local government and regulatory taxes which are administered by local authorities as well as the regulatory bodies or authorities. Administration of union taxes is under the Tanzania Revenue Authority (TRA), non–union taxes; for Tanzania Mainland are under the TRA whilst in Zanzibar, they are under the Zanzibar Revenue Board (ZRB). The Commissioner-General for TRA is the head and the in-charge of all day to day administrative function.

3.2 The tax revenue, GDP and the economic structure in Tanzania

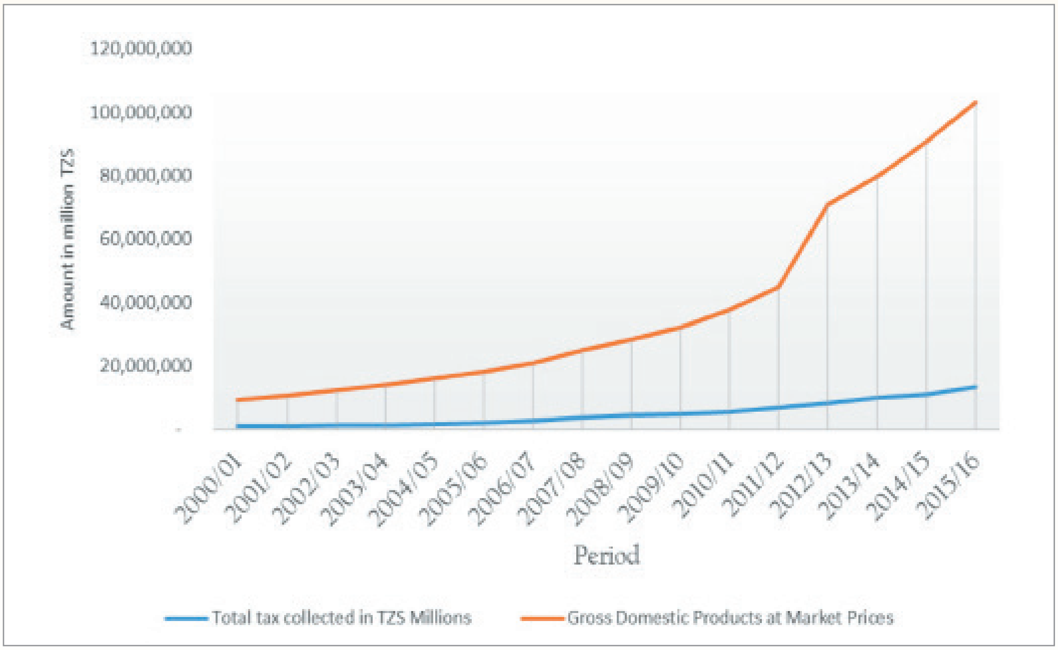
Tanzania's tax/GDP ratio has increased slightly from 10% to 13% from 2001 to 2016 but at an average rate of 12%. However, the tax /GDP ratios were highest in between 2007 and 2012 at 15% (See Figure 3 and Figure 4).

Thereafter, the existing data indicates that there was an increasingly widening gap between the tax collection and gross domestic products to 2016. This trend may have decreased because of strong tax administration under the Fifth Phase Government under His Excellency, Dr John Pombe Joseph Magufuli.

Figure 3: Tax/GDP ratio

(Source: Tanzania Revenue Authority and National Bureau of Statistics of Tanzania)

Figure 4: Relationship between total tax revenue collected and GDP



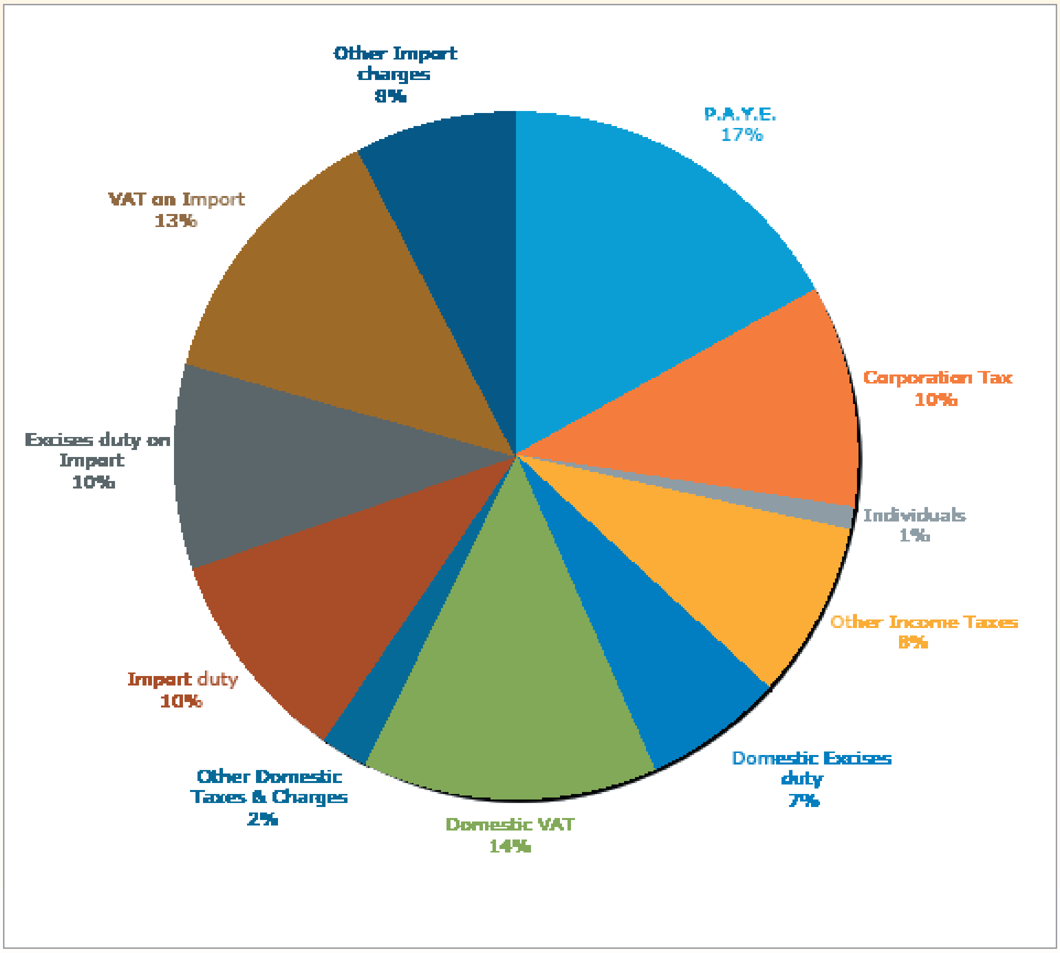
(Source: Tanzania Revenue Authority and National Bureau of Statistics of Tanzania)

As illustrated in Figure 5 below, the composition of tax collected remained constant with a large share of revenue coming from value-added tax, making up almost 27 per cent and Pay As You Earn at 17% of total tax revenue.

The share of consumption taxes, value-added tax (VAT), excises and fuel taxes, were the largest component of revenue (55.7 per cent) of Tanzania Mainland in 2016.

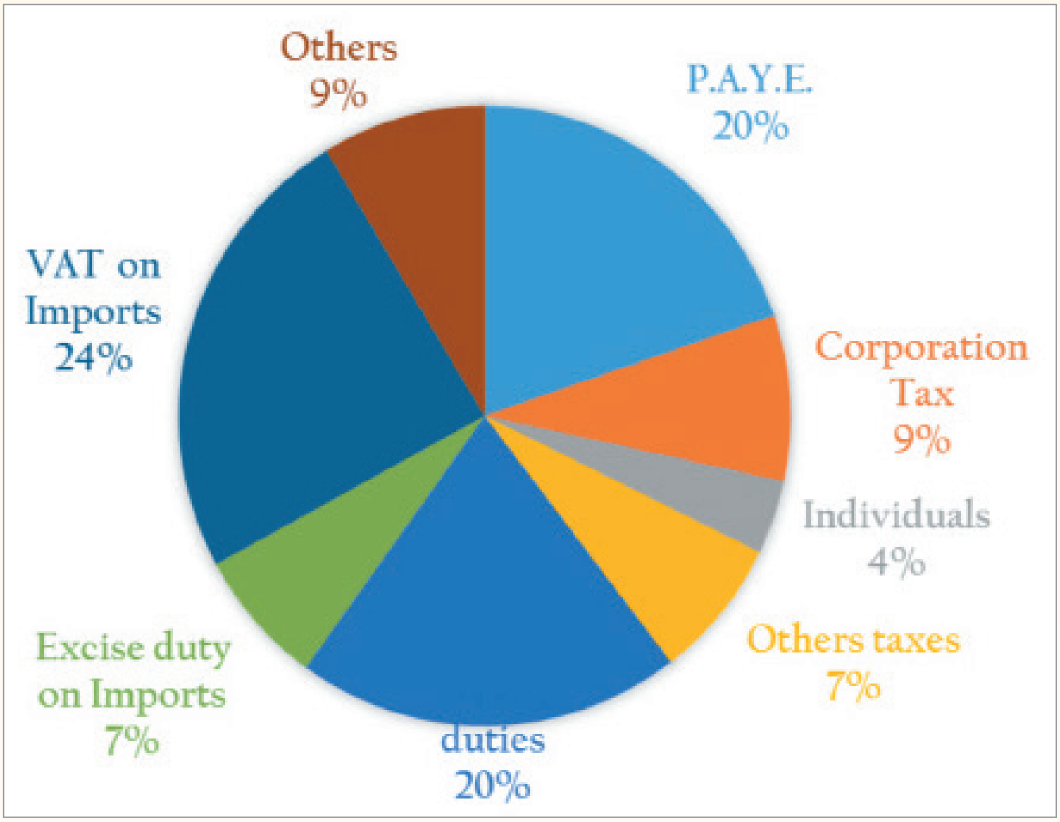
Similarly, in the same year, the composition was witnessed in Tanzania Zanzibar (See Figure 6) in which indirect taxes had the largest component of revenue at 51% and PAYE contribution to the total revenue stood at 20%.

Figure 5: Composition of taxes in Tanzania Mainland in 2016



(Source: Tanzania Revenue Authority and National Bureau of Statistics of Tanzania)

Figure 6: Composition of taxes inTanzania Zanzibar in 2016



(Source: Tanzania Revenue Authority and National Bureau of Statistics of Tanzania)

It is argued that, the limited contribution of direct taxes in government revenues is contributed by a large number of people working in unpaid family jobs and significant size of the informal sector (Josh, 2016).

In Tanzania, only about 26.4% per cent of the work force has salaried employment which is subject to PAYE (United Republic of Tanzania, 2014).

However, several reforms have recently been undertaken to increase revenues from direct sources, including widening up tax net by taxing informal sector either through presumptive taxes, property taxes and removing some exemptions. Through the TRA, the governme is also strongly enforcing uses of Electronic Fiscal Devices (EFDs) designed to reduce revenue leakages and improve tax compliance.

There is as well the Large Taxpayers Unit to monitor the bulk of tax receipts and to improve the efficiency of tax collection.

3.2.1 Personal income tax and gender equality

Personal Income Tax (PIT) relates to the taxation of individuals which include sole traders and salaried people who are taxed at progressive individual income tax rate, which varies from the lowest marginal rate of 9% to the top marginal rate of 30%.

However, for a non-resident individual, the applicable rate is 20%, which is charged on the total income.

The PIT is governed by the Income Tax Act, Cap 332 of 2004 and subsequently supplemented by the Income Tax Regulations of 2004.

Personal income tax can be charged on individual or joint (household) unit. In the individual system, each individual, individually, files tax return showing his or her income only separate from marital income or household setting (Grown and Valodia, 2010). Whereas, in the joint filing income of married couple is assessed together and taxed as income of one person.

Of these approaches, the more gender-equitable one is the individual filling system because joint filing systems pushes women out of formal paid works (UNDP, 2010). Women participation in the paid work, increases the combined income of the family, resulting in high tax liability. The decision to withdraw from paid work is increased by the fact that women are more likely to earn less than men (UN-Women, 2011). Consequently, in the joint filing system, the majority of women may prefer to do the unpaid care work.

However, the income tax Act, Cap 332 of 2004 impose filing obligation to every individual whose income is taxable and determination of the taxable income is computed separately.

The Income Tax Law, in Tanzania does not recognize joint income for individuals, rather; if a family has more than one individual who are obliged to pay income tax, each of the individuals shall be taxed separately, regardless of their relationship (marital status) as provided under section 5(2) of the Income Tax Act, Cap 332 of 2004.

In determining the taxable income, the law does not permit joint deductions because joint income has to be apportioned accordingly, and the individuals may claim deduction on separate arrangements. Thus, the existing individual filing systems in Tanzania is regarded gender-equitable.

3.2.2 Illustration of gender and the concept of equity in taxation for joint and individual filing

Suppose, a household of wife and husband is assumed to earn a taxable income of TZS 9,600,000/= which was earned equally.

If a joint filing is applied, the unit of taxation would be household and its taxable income is TZS, 9,600,000/=.

Thus, if the taxable income is TZS, 9,600,000/=, then the rate to be used is TZS 1,177,200 + 30% of the amount in excess of TZS 8,640,000/=. Therefore, the tax due will be TZS 1,465,200/=.
Whilst, if an individual filing is adopted, the taxable income for the wife and husband is only TZS 4,800,000 for each one of them and would be taxed separately.

The tax rate applicable is TZS 205,200/= + 20% of the amount in excess of TZS 4,320,000/= this makes the total tax liability for the household to be 602,400/=. When compared to the joint filling, the individual filling system is far better because it has a relatively low incidence in aggregate at family level.

This difference in tax liability is a results of the different tax treatment for various level or categories of person income. The advantage is only enjoyed when a particular filling system is adopted, for this case, an individual filings system.

Table 3: Comparison of tax burden (tax liability) between individual and joint filling systems.

	Joint filing in (TZS)	**Individual filing in(TZS)**	**Tax saving (TZS)**
Annual income of husband	4,800,000	4,800,000	
Annual income of wife	4,800,000	4,800,000	
Household income	9,600,000	9,600,000	
Less: Personal income tax			
Tax on household income in joint filling	1,465,200.00		
Tax on husband in individual filing		301,200.00	
Tax on wife in individual filing		301,200.00	
Household disposal income	8,134,800.00	8,997,600.00	862,800.00

Source: Author's own computation work

3.2.3 The gender implications of personal income tax

The Tanzania personal income tax practice considers no difference between men and women and other marginalized.

It treats all the same and hence this could result in an implicit gender imbalance. Usually, the large number of men work in formal sectors as compared to women as a result, men are directly affected by the income tax laws and regulations much more than women and other marginalized.

Their income, therefore, is relatively higher than women and are likely to be within the tax net while leaving the majority of women working in informal sector untaxed.

3.2.4 Income from employment

The income tax act, Cap 332 of 2004 provide for taxation of employment income on section 7, whereas the taxable employee is likely to benefit from tax exemption on scholarship allowance, cafeteria services, medical allowances, housing benefits, transport allowances and pension contributions.

The allowances are not available to non-employees, of which the majority are women.

The issue of gender bias can be traced on the application of tax incentives granted to employees which give relief or saving which would otherwise be taxed. This enhances the disposable income of salaried employees, thereby widening the gender income gap.

However, the tax regime has a redress approach to marginalized groups (vulnerable groups) whereby it provides cash outlay in terms of vocational training services and higher education through the skills and development levy (SDL).

3.2.5 Income from Investment

The investment income means the return on investment assets, either from the appreciation of the value of the asset or compensation from using the assets. These may include land and building, shares, bonds and treasury bills, and bank fixed deposits, intangible assets like copyright and patent rights. With these assets, one could earn an income in terms of rents, dividends, interests, royalties and capital gain upon disposal of an asset.

The issue of gender bias relates to the question, who owns the assets and how are the taxes imposed? Majority of assets are owned by men; this give privilege to men in terms of wealth ownership. Generally, investment income of the individuals is only taxed upfront (i.e. final withholding payment) at a relatively lower rate (5%, 10%, and 15%) as compared to the traditional progressive rate of employment taxes which range from 9% to 30%.

The Income Tax Act, Cap 332 of 2004, on section 2 exempts income tax for a private residence upon disposal with condition that the individual must have lived in it at least for a period of three years and which do not have again that exceed 15,000,000 shillings.

Likewise, there is also an exemption from income tax when an individual realizes farmland whose market value is less than 10,000,000 shillings and should have used the farmland for at least two of the last three years. Also, the law exempts rental income which does not exceed TZS 500,000/= per annum as per section 86(4)(c).

With such arrangements of the tax regime, the income tax law, implicitly favours the male and affluent population by reducing the tax burden.

3.2.6 Income from Business

The self-employed individuals are subject to taxation on their income from the business as provided under section 8 of the Income Tax Act, Cap 332 of 2004.

The law has developed a dual system of taxing income from the business; these are the presumptive tax system and the net profit system. With the presumptive system, the individual qualifies if his/her turnover is within the range of TZS 4,000,000/= to TZS 100,000,000/=.

If an individual maintains the sales, records will be taxed based on the annual turnover; whereas for those who do not keep proper records can be taxed at a fixed amount.

3.2.7 Rates of tax under the presumptive tax System

Under this system, tax payable is established based on an annual turnover as shown by the taxpayer's records. In the absence of complete records, the annual turnover will be estimated based on the best judgment of the commissioner.

The turnover bands and their tax rates are as stipulated in the Table 4 below

Table 4: Presumptive tax rates

Annual turnover	Tax payable when records are incomplete	Tax payable when records are complete
Where turnovers do not exceed TZS 4,000,000	NIL	NIL
Where turnover exceeds TZS 4,000,000 but does not exceed TZS 7,000,000	TZS 100,000	3% of the turnover over TZS 4,000,000
Where turnover exceeds TZS 7,000,000 but does not exceed TZS 11,000,000	TZS 250,000	TZS 90,000+3% of the turnover over TZS 7,000,000
Where turnovers exceed TZS 11,000,000 but do not exceed TZS 14,000,000	TZS 450,000	TZS 230,000+3% of the turnover over TZS11,000,000
Where turnover exceeds TZS 14,000,000 but does not exceed TZS 100,000,000	NOT APPLICABLE	TZS 450,000+3.5% of the turnover in excess of TZS 14,000,000

Source: Finance Act, 2019

From the Table 4 above, the presumptive system is implicitly biased against women and other marginalized because most of them are poor and fall within the threshold and therefore, are subject to this system.

The disadvantage of this system is that it does not take into consideration of the costs incurred wholly and exclusively in generating the taxable income.

Also, the majority do not have complete records of their transactions (expenses and revenue) due to illiteracy and consequently, they become subject to a fixed rate which disregards whether they realized a profit or loss. For example, if two taxpayers both with turnover of TZS 5,000,000 and expenses of TZS 4,000,000 but one keeps record and another does not; both will fall in the first band of the presumptive tax rate with the first one paying TZS 100,000 if she/she does not keep complete record as income tax whilst the latter pay TZS 30,000 being 3% of the difference between TZS 5,000,000 and TZS 4,000,000.

Similarly, if both of the taxpayers were using net profit approach, with their net income below TZS 2,040,000 both of them could have been exempted.

Table 5: Individual income tax rate for Tanzania Mainland

Annual Taxable Income	Tax Rate
Where Total Income does not exceed TSHS 2,040,000	NILL
Where Total Income exceeds TSHS 2,040,000 but does not exceed TSHS 4,320,000	9% of the amount in excess of TSHS 2,040,000
Where Total Income exceeds TSHS 4,320,000 but does not exceed TSHS 6,480,000	TSHS 205,200 plus 20% of the amount in excess of TSHS 4,320,000
Where Total Income exceeds TSHS 6,480,000 but does not exceed TSHS 8,640,000	TSHS 637,200 plus 25% of the amount in excess of TSHS 6,480,000
Where Total Income exceeds TSHS 8,640,000	TSHS 1,177,200 plus 30% of the amount in excess of TSHS 8,640,000

Source: Finance Act, 2019

3.3 Marginalized Groups and taxation

The marginalized groups, in Tanzania, constitute those individuals who do not fall in any of categories listed in the table above.

These are the people who work mainly in the informal sectors of the economy, regardless of their sexual orientation and physical ability.

The tax system has provided for a mechanism that ensures they are recognized and pay their fair share through the so-called "Kitambulisho cha mjasiriamali mdogo". However, marginalization is a dynamic process and people can move in and out of such groups and many people can fall into one group or more categories or groups at the same time.

This is what makes marginalization a complicated concept. Classification of marginalized groups by using the IDs (Kitambulisho cha mjasiriamali mdogo) has, since its adoption, remained to be a mere policy approach until the Tax Administration Act, Cap 438 of 2015 was amended on its section 22 to provide for the registration of small vendors and service providers by adding section 22A. The ID became an obligation requirement for every vendor and service provider doing business in informal sectors.

The amendment took effect through the Finance Act, of 2017 and the legal machinery now provides for the existence of ID as well as its usage in Tanzania.

However, most of the individuals who qualify to be given the ID are the poor women and youth who do not have sufficient capital to set up and establish business in the formal procedures. Gender bias is obvious because the ID is given upon payment of TZS 20,000/=, regardless of gender consideration and it takes no consideration of family background and economic welfare of both the individual and the household in which the individual belongs to.

Given the way the ID is issued, women stand to be disadvantaged because of their roles to families and social welfare, they are subject to parental and family care, they are less educated and susceptible to social discrimination in terms of financial support both at home and at an institutional level. Women could be denied financial support simply because they do not have someone to guarantee the loan who are usually men.

Nevertheless, the tax regime has a set of mechanism designed to address the issues of gender and other marginalized inequalities by providing tax incentives and or exemptions.

The Income Tax Act Cap 332 provides tax reliefs to charitable organizations dealing with marginalized people.

However, for an entity (charitable organization) to qualify for tax relief it has to be a resident entity, and must be established for the purpose of providing relief to the poor; for the advancement of education; or for the provision of general public health, education, water or road construction or maintenance; and that the entity has been issued with a ruling by the Commissioner general stating that it is a charitable organization or religious organization under section 64(8) of Cap 332. Besides, the charitable organization can deduct 25 percent of the organization or religious organization's gross income from both its charitable business and investments as a tax relief (section 64(7)).

This tax expenditure is aimed at promoting fairness in taxation for both women and other marginalized groups.

There is also exemption under the Second Schedule of Cap 332 for pensions or gratuities granted in respect of wounds or disabilities caused in war and suffered by the recipients of such pensions or gratuities.

Likewise, exemption extend to such amounts derived by way of alimony, maintenance or child support under a judicial order or written agreement and amounts derived by way of gift, bequest or inheritance, except amount earned by the estate of the deceased from business and investment or employment of the deceased. These exemptions imply that in some way, the Act (Cap 332) promotes a gender and other marginalized equity.

3.4 Indirect tax and gender equality

The common indirect taxes administered in Tanzania are the Value Added Tax

and Excise tax; VAT is imposed on all taxable supplies, whether imported or manufactured domestically. The VAT is levied on ad-valorem basis whereas the rates are 0% for export or (zero-rated) taxable supplies, and 18% for both import and domestic manufactured taxable supplies.

However, the VAT has exemptions on basic consumption goods like vegetables, fruits, and hoes etc. as provided on Schedule of exemption under section 6 of the VAT, Act, Cap 148 of 2014.

Tanzania, like many other developing countries, depends much on indirect taxes to support its budget each year. Indirect taxes contribute more than half (55.7 per cent in 2016) of total tax revenue for Tanzania Mainland.

Similarly, in the same year, the composition was witnessed in Tanzania, Zanzibar in which indirect taxes had the largest component of revenue at 51 per cent of total tax revenue. The main indirect taxes employed in the country are VAT which is levied on both import and domestic taxable goods and services and the Excise duty.

Gender issues in indirect taxes
Indirect taxes are regressive taxes because high-income individuals spend less of their income to purchase basic needs than individuals with low-income.

Families whose head is a female individual are subject to similar consumptions which attract both VAT and excise taxes. Because of this, it is advised to conduct a review or analysis of tax incidences on indirect taxes (VAT and Excise) from a gender equality perspective.

With families headed by women, a large portion of income is spent on purchasing of basic consumption commodities such as food, clothing, fuels and mineral water.

This has an effect of placing burden of indirect taxes on women and other marginalized individuals than men (see Box 1.1 below). Possible measure for mitigating the tax burden to relive marginalized individuals, is to use proper tax design and provision of tax relief like zero-rating and exemption of items.

This reliance on indirect taxes can have implications for marginalized individuals (Sharpe, 2016). VAT without exemptions is a regressive tax because all people pay the same rate of VAT, regardless of their total income and poor people, by necessity, spend a greater proportion of their income on consumable goods.

Whilst it is very difficult to determine the effects of VAT and the overall tax burden on women separately from men, it is commonly thought that women are disproportionately burdened by VAT.

Usually, women constitute the majority of the poor and are more likely to spend their income on daily necessities (Sharpe, 2016).

Table 6: Women and other marginalized bias in VAT

Monthly wages rate	VAT on non-exempt (TZS 10,000) on basic needs as % of monthly income at up end.	Male	Female	TOTAL
Up to 100,000	10%	6.3	7.8	6.9
100,001 -150,000	7%	15.1	14.2	14.8
150,001 - 300,000	3%	20.6	16.2	18.9
300,001 - 500,000	2%	18.5	18.9	18.6
500,001 - 900,000	1%	22	24.5	22.9
900,001 - 1,200,000	1%	8.3	10	8.9
1,200,001 - 1,500,000	1%	4.4	4.7	4.5
Above 1,500,000	1%	4.9	3.8	4.5
Total Percent		**100**	**100**	**100**
Total Citizen Employees		**1,480,859**	**908,035**	**2,388,894**

Box 1.1 Women and other marginalized bias in VAT
These figures demonstrate that women and other marginalized groups with high levels of poverty (abject poverty), even a seemingly small amount like TZS 10,000 per month for VAT, can take a very large share of individual

Source: Authors own analysis

3.5 Real Estate Taxes

Real estate taxes refer to those compulsory payments which relate to the ownership or occupation of land and or buildings. They include premium, land rent, planning and survey fees, certification and registration of title fees, transfer fees and property tax. In Tanzania, property tax is levied and collected by TRA in collaboration with local government authorities. The rate for estate taxes differs, depending on the type of the tax or levy and the authority empowered to levy.

Land rent and property tax are administered based on the value of land and or building. A specific rate or amount is also used in charging these type of taxes. For property tax, the specific or fixed amount is 10,000/= for all ordinary building, regardless of the status quo or gender of the property owner. A storey building is charged 20,000/= in district areas while in urban areas each storey is charged fifty 50,000/= and for unit titles, each unit is treated separately (The written laws miscellaneous Amendments) Act, No. 2 of 2019).

3.5.1 Gender and marginalized bias in real estate taxes

Real estate taxes do not take into consideration gender equality; exemptions are awarded based on other aspects rather than gender and other marginalized groups. For example, exemption from land rent are automatically given to government properties: Section 33A (1) of the Land Act, Cap 113 of 1999 provide for exemption of payment of rent for a right of occupancy over lands, exclusively for central or local government use; government institution or organisation use; and for non-profit organizations, including religious institutions, which provide health, education or other social services which are not profit oriented (Kitalya, 2019).

Besides, women, widows and orphans do not qualify, automatically, for exemption, but can only be excluded from the obligation to pay upon waiver to be granted by the Commissioner for land under section 33(10) of Land Act, Cap 113. One residential retable property which is owned and resided by a person of above age of sixty (60) years or a person living with disabilities who has no source of income are exempt from payment of property tax (Finance Act, 2016).

Thus, the tax regime in Tanzania ought to provide gender-sensitive exemptions instead of providing general criteria which give advantage to men who are, largely, the owners of real estate properties. The design of land rent and property tax is structured to focus on land and the property itself (tax inrem); whereas in most cases the incidence may not, directly, fall upon the occupiers (property) owners.

When these taxes are not paid as required by the law, the consequence may adversely affect women and other marginalized individuals who depend, solely, on particular property. Failure to pay property tax and land rent may result into revocation of the right to occupy land and properties. The design and administration of these taxes should, if possible, be reformed to focus on individuals registered as owners (tax personum) and ensure the incidence affect only the owners and when they fail to pay, they should be punished, individually, instead of revoking the right to occupy the land.

3.6 Local Government and Regulatory Taxes

3.6.1 Local Government taxes

A local tax is a tax assessed and levied by a local authority such as a state, county, or district, township, municipality and city councils. Local tax is also referred to as a municipal tax. Local authorities levy a large number of taxes, licenses, fees, and charges as empowered by the Local Government Finance Act of 1982.

Moreover, large variations exist among councils with respect to the number of revenue sources; also, local government taxes are collected to fund local government projects such as water and sewer improvements, law enforcement and fire service, education and health services, road construction (through TARURA), markets and other public and other services which benefit the community-at-large. Unlike central government taxes (mostly collected by TRA), the benefits arising from local government taxes are usually vivid and apparent at the community level.

However, local government authorities must ensure there is a constant balancing act with regard to imposition and levying of local taxes. A rise in taxes may lead to taxpayer upheaval, and any reduction or low taxation levels may lead to a slowdown or even a cutback of essential services. Meanwhile, local authorities are mandated to levy other fees such as market fees, toilet fee, service charge, hotel levy, parking fees, garbage collection fee, crop and livestock cess (agricultural cess) or produce-cess, animal movement permit fee and business license fee.

Nevertheless, local government taxes have an implicit gender bias in the way they are imposed and the tax incidence or the tax burden is distributed, among members of the society. Most of the local government taxes are imposed on informal sectors of the economy where the key players are marginalized.

Thus, they place much of the burden on women as compared to men who work in fairly formal or semi-formal sectors of the economy. The best example could be the toilets fee, which by nature of its payers, it burdens more women than men. This is heavily gender-biased against women as women have more frequency than men. Usually, the financial burden for toilet fees is considerably higher than the official market fees for most market traders, especially for women (ICTD, 2019).

The study by ICTD (2019) on Gender Inequity in Dar es Salaam's City Markets on fees for the use of toilets observed that most of the markets visited charged toilet fee ranging from TZS 200 to TZS 300 (USD 0.09 to USD 0.13) for each usage whilst the market fee was between TZS 100 and TZS 200 (USD 0.04 to USD 0.09) per trader. Therefore, the toilet fees tend to disadvantage women largely because of their biological nature as they need to use toilets more frequently than men.

Women frequent toilets, especially during menstruation and pregnancy. Their useof toilet facilities on average is six (6) times per day, while men use toilets only four (4) times per day. Likewise, men can easily avoid toilet fees by going around the next corner or to the next bush. This is a rampant and more or less tolerated practice for men. Women can hardly manage to avoid toilet services, especially with open toilets.

Open toilets put women at risk and increase women's vulnerability to shame but also raises the risk of sexual assaults. (Shirley 2012; Srinivasan 2015).

Accordingly, user fees reduce access to critical services based on income, depriving those with low or no incomes of equal opportunities to health, education, and training, and equal competition for incomes with those who can afford these services (Lahey, 2018).

Thus, from the perspective of taxing for gender equity, user fees fall into the same category as the VAT – user fees are taxes that violate the fundamental principle that taxes should only be levied on those who have the ability to pay them.

3.7 Tax Revenue Leakage

Tax revenue leakage refers to gaps or loopholes that exist within the tax regime which result into loss of tax revenue.

There are several channels of tax revenue leakages which includes tax incentives, transfer mispricing, use of thin capitalization, treaty shopping and use of tax havens.

The provision of excessive tax incentives to investors (both local and FDI) is a leakage channel in the form of tax expenditure.

This has denied tax revenue for the government of the United Republic of Tanzania amounting to 16.25% of total tax revenue which is equivalent to 2.49% of GDP (World Bank Group, 2013).[1]

There are several estimates available for the tax revenue losses caused by tax incentives and exemptions in Tanzania.

These include estimates by the African Development Bank (AfDB) which indicate that, exemptions and incentives accounted for up to 6 per cent of Gross Domestic Product (about Tshs 1.8 trillion (US $1.23 billion) in 2008; The East African Community (EAC) secretariat estimated that eexemptions on import duties alone indicated tax revenue losses from exemptions was US$ 435.9 million (Tshs 955 billion) in 2008 and there was an average of US$370 million (Tshs 811 billion) for three years 2006-08.

Uwazi, a Non-Governmental Organization (NGO) presented an analysis based on figures from TRA on tax revenue losses from incentives and exemptions amounted to Tshs 752 billion in 2008/09 and Tshs 695 billion in 2009/10.[2]

Besides, tax revenue leakage can be a result of transfer mispricing (price manipulation) which occurs when related companies make an intra-company transactions (controlled transaction).

Most of the cross-border transactions are likely to involve price

[1] World Bank Group, (2013); "Measuring the Revenue Costs of Tax Incentives in the East African Community Member States", April 2013.

[2] Uwazi, 'Tanzania's Tax Exemptions: Are they too high and making us too dependent on Foreign Aid?, Policy Brief, TZ.12/2010, p.5

[3] Ault and Arnold, (2015), "Protecting the tax base of developing countries: an overview" (2015) 43.

manipulation, especially with associated multinational companies; price is pre-determined for purposes of reducing the tax base, commonly referred to as base erosion and profit shifting (BEPS).[3]
In so doing, the taxpayer will set high prices for goods purchased for purpose of raising the amount of deductions and undervaluing the sales price of products to reduce the taxable income, this at the same time the amount paid is a company's profit which is being shifted to low rate or no tax jurisdiction (tax haven).

Likewise, other companies may reduce their tax liability through the use of Thin Capitalization; this is the form of using excessive interest bearing capital than equity, hence reducing the taxable profits. There are others who shop around the tax treaty network with a view to obtain undue tax benefits i.e.treaty shopping for purposes of avoiding taxes.
Generally, tax leakage may occur when there are opportunities for tax avoidance and evasion because of weak enforcements, corruption, poor tax morale and poor utilization of tax revenue.

This loss of money, means that there is less money available to spend on those essential services and social protection of which women and other marginalized individuals are most in need.

[4] Otusanya et al, (2013), "An examination of tax leakages in Government tax revenues: the case of Nigeria"

PART FOUR
FINDINGS AND CONCLUSION

4.0 Main issues emerging from marginalization and gender inequality within tax regime in Tanzania

It can be established herein that; this work has observed several issues that disadvantage women within the current tax regime.

The existing taxation system largely treats both men and women equally with a relatively minute aspects of special treatment to women.

Much more has to be done to enhance equity in the tax regime so that a fair ground can be established for women, men and other marginalized groups, in terms of taxation and payment of due taxes.

The key issues include: -

i. The Tanzania tax regime is much of a consumption in nature as the tax mix rely heavily on tax revenue from consumption taxes (the VAT and Excise tax). It also has unhealthy tax incentives and exemptions, especially for investors.

ii. Women assume much of the unpaid work at family level and are disadvantaged by the tax regime in the way that it treats, equally, both men and women. The tax regime does not take into consideration the burden of unpaid care work in imposing various taxes.

iii. Consumption taxes, usually referred to indirect taxes (VAT and Excise taxes) affect more women than men. This is because women have relatively higher level of consumption compared to men. The single rate in VAT (18%), and fixed sum in exercise tax erode much out of the women’s income than men due to their parental role in families and shopping habits.

iv. Wealthy taxes, especially real estate taxes (land rent and property taxes) have an implicit gender bias because they are administered as tax in rem, regardless of a mere an identified presumptive co-ownership of properties that are accorded to women. Presumption of co-ownership requires further evidence be adduced to prove the right to occupy interest in land or property.

Presumption of co-ownership requires further evidence be adduced to prove the right to occupy interest in land or property. Thus, presumption of co-ownership is debatable, hence tax in rem on land and properties affects more women and other marginalized individuals than men.

v. There is an implicit gender bias in the way tax revenue are distributed way-back to the society; provision of public goods and services, especially on health sector, women are better positioned than men, marginalized groups like the differently abled, the albino and children have special treatment on health care. Water services and primary education have recently been given special consideration by the tax regime. Most of the equipment and implements are tax free or are charged at a relatively low rate, especially VAT and Excise duty. Both women and youth are now eligible for 4% each of total tax revenue collection (own source) for every local government authority and 2% for disabled (United Republic of Tanzania, 2018). This is a blessing to both women and the marginalized groups, and is a win for activists and tax advocacy networks as their longtime concern had finally been taken into consideration.

vi. Unequal participation of women and marginalized groups in decision-making bodies. There are fewer women in almost all decision making institutions: members of parliament, ministers, and councilors and even at family level, its men who dominate decision making. This, positions men in a relatively better situation to overlook and generalize decisions without regard to special consideration women could deserve in taxation.

vii. Implicit Gender bias on User fee, especially the toilet charge, as described above, the user fee (toilet charge) burdens more women than men.

viii. Tax revenue leakage due to tax avoidance and tax evasion, which in turn denies basic social services for women and marginalized group.

4.1 Avenues for interventions and harmonization of marginalization and gender inequality within tax regime in Tanzania

The avenues for intervention and harmonization of marginalized and gender inequality are numerous, hence require multiple and diverse approaches to foster tax justice among members of the society.

Besides, the tax regime must be integrated to allow such measures as strengthening of institutions, capacity building and development, and enhance public education on tax issues.

The process to bettering into a non-gender bias tax regime must involve both policy and legal issues, must tackle the unfairness of taxation, especially to women and the marginalized individuals and promote a more and just framework to all.

The main areas suggested for marginalized and gender interventions to tackle challenges include the following: -

i. Promote community engagement for more participation in tax issues by focusing on gender mainstreaming through provision of tax education by targeting women and marginalized groups.

ii. Interested parties like the Tanzania Tax Coalition (TTC), policy forum and others should work closely with the government, especially local government and lobby for wide public engagement and other modalities in designing local government taxes.

iii. Unpaid care work reflect unrecognized reality of subsidy and requires careful consideration to recognise and should be considered in the tax regime through provision of tax incentives like exemption and other targeted allowances to women and marginalized groups to compensate for the subsidies.

iv. With consumption taxes, there should be a lobbying for gender based tax incentives or exemption, particularly on those goods which are consumed by women and marginalized groups like sanitary pad. To avoid the cascading effect on sanitary pad, the zero rate should be adopted.

v. Capacity development programmes such as the 10% (interest free loan) for women, youth and disabled should be integrated to accommodate more women and marginalized groups, and if possible, the amount be increased to 15%.

vi. Lobby for more women participation in decision, making bodies to enhance wider representation of women and marginalized group to ensure equitable allocation of resources.

vii. Lobby to LGAs for preferential user fees (toilet charges) and tax exemption for marginalized groups and women for services with implicit bias against them.

viii. The tax regime should be user-friendly on real estate taxes by focusing on individuals who occupy (owners) the properties (tax personum) instead of focusing on mere property (tax in rem).

ix. Government and others as Policy forum, TGNP Mtandao, ActionAid etc. should work together to better the tax regime in recognizing the informal sector for the benefit of women and other marginalized individuals.

x. Tax reforms, when pursued should do away with presumptive tax system, because it propagates repressiveness in taxation. The VAT system should be reformed by reducing the tax rate from 18% to 15%. This would definitely increase tax revenue because of an increase in consumption due to diverse options.

xi. Reduction of income taxes to 15% flat to broad tax bases while the government should abolish tax incentives and exemptions on investment and instead lower tax rate to encourage and enhance voluntary compliance.

4.2 Conclusion

This deskwork intended to explore the nature of gender inequality for marginalized groups, especially women in Tanzania.

It has examined both policy and legal implications of the existing tax regime and identified several key issues. Women assume much of the unpaid work at family level and are disadvantaged by the tax regime.

Consumption taxes mostly affect women than men because they have relatively higher level of consumption compared to men.

There are also few women in decision-making bodies, implicit gender bias on user fee, especially the toilet charge and the regime is prone to tax expenditure, in terms of tax incentives and exemption.

This disadvantages women and other marginalized individuals who do not qualify for most of the incentives available.

It has been suggested to employ more efforts within the tax regime in promoting community engagement for more participation in tax issues by focusing on gender mainstreaming through provision of tax education by targeting women and other marginalized groups and lobby for more women participation in decision, making bodies.

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