

APPEAL

The group also urged the government to plug revenue leakages by curbing corruption

Cast tax net wider to ease burden on workers: lobby

NGO advocating poverty reduction, equity and democracy urges the government to tap the potential of property tax instead of constantly raising pay as you earn tax

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Dar es Salaam. The government has been advised to come up with new sources of revenue instead of relying on "simple to catch sources" such as pay as you earn (PAYE) tax.

The advice was issued by Policy Forum, a non-governmental organisation advocating poverty reduction, equity and democratization, in a notice published yesterday.

The lobby group called for the government to tap the potential of property tax instead of keeping on raising PAYE so as ease the burden on citizens.

The group also urged the government to plug revenue

leakages by curbing corruption at all levels and setting reasonably affordable tax rates, which, according to the group, is a good incentive to the tax payers towards remitting their due amounts to the government.

Policy Forum has also advised the government to continue with its strategy to formalise and tax the informal sector.

"...enhancing the taxability of the informal sector reduces the burden on Micro Small and Medium Enterprise (MSMEs) taxpayers within the informal sectors to make formalising attractive could be a more promising strategy," the network says in a statement.

Policy Forum has also urged the government not to confine

itself to addressing tax leakages through dealing with tax exemptions but also strengthen its strategies to counter transfer mispricing and harmful double taxation agreements (DTAs).

The government has also been urged to refocus on improving agriculture productivity as well as improvement of the agriculture sector.

The group argues that although agricultural productivity has been decreasing partly due to adverse effects of climate change, the 2017/18 budget planning has not focused on climate change adaptability and mitigation measures.

In the education sector Policy Forum said that although the sector takes the largest share of the budget (17 per cent), the learning environment is still poor in most public schools.

According to the lobby, a total of 23,000 classrooms are

MORE INFO: NETWORK OF NGOS

Policy Forum is a network of NGOs which was founded in 2003, incorporated as a non-profit company under the Companies Act of 2002.

Policy Forum is a member-led network and its highest decision-making body is the General Assembly made up of all voting members of the network. The forum's activities are overseen by a board of directors.

needed to accommodate more than one million students following the introduction of free education.

The Minister for Finance and Planning, Dr Philip Mpango, presented the 2017/18 budget framework to MPs last week showing that the government plans to spend nearly Sh.32 trillion in the next financial year, up from Sh.29 trillion budgeted for 2016/17.

Some commentators have, however, dismissed the plan as unrealistic.

“...enhancing the taxability of the informal sector reduces the burden on Micro Small and Medium Enterprise (MSMEs) taxpayers.”
POLICY FORUM