



ZANZIBAR REVENUE AUTHORITY



THE FOURTH CORPORATE PLAN 2020/2021 – 2024/202 AT GLANCE

“ Strengthening Tax Administration Through Modernization “
Second Edition 2023



**The Fourth Corporate Plan
2020/2021 – 2024/2025
At Glance**

**“Strengthening Tax Administration
Through Modernization”**

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ZRA FOURTH CORPORATE PLAN AT GLANCE

RGZ VISION 2050

Strategic Direction: Creating a sizeable and competitive private sector, with an innovative financial sector, as well as strengthening domestic resource mobilisation.

Aspirations

Efficient revenue collection mechanisms reinforced by a stronger tax regime, the identification of new opportunities and the deployment of modern fiscal technologies

ZRA VISION

To be a Centre of Tax Administration Excellence by 2025

ZRA MISSION

To Promote Voluntary Compliance and Build Public Confidence Through Effective, Efficient, Transparent and Fair Administration of Relevant Tax Laws; and Providing Quality Customer Services by Using Modern and Innovative Technology, with the Highest Degree of Integrity That Will Optimize Revenue Collection.

CORE VALUES

- Professionalism
- Fairness
- Integrity
- Teamwork
- Customer-driven

CORPORATE OBJECTIVES

Optimise Revenue Collection

Improve Quality of Services and Compliance.

Innovate in Digitalization and Technology Harness

Improve Staff Performance

ZADEP

Enhancing Revenue Collection

Strengthening domestic revenue mobilization measures by:

- Dealing immediately with all actions and behavior that cause revenue leakages
- Widening the tax base
- Attacking corruption
- Strengthening tax administration through modernization of revenue collection systems
- enhance voluntary tax compliance
- Timely revenue collection and Management
- Take strong and effective measures in collection of government revenue through taxation, non-taxation, levy and domestic borrowing.

STRATEGIC DIRECTIONS

- Increase Revenue Collection
- Improve Resource Allocation and Re-allocation
- Expand the Tax Base
- Strengthen Revenue Reporting and Reconciliation
- Management of Objections and Disputes Resolution
- Monitoring of Revenue Collections Risks
- Update and Improve the legal framework
- Develop and Monitor Strategic Planning
- Develop, Implement and Monitor Statistics Strategic Plan

- Provide and Promote Proper and Fair Assessment and Collection of taxes
- Undertake and enhance education interventions to foster compliance and obligation awareness
- Undertake education interventions to foster compliance and obligation awareness

- Modernise Business Operations and Processes
- Enhance Use of ICT and e-services
- Introduce and Implement Online Registration Systems
- Introduce Online Filing Systems
- Facilitate Use of Electronic Payment System ICT-Based
- Improve and Strengthen Oversight of ZRB
- Improve ZRB ICT infrastructure
- Improve ZRB Information Security and Assurance

- Improve Staff Productivity
- Improve (Enhance) Staff Integrity
- Improve Institutional Capacity.
- Improve Institutional Capacity
- Improve Staff Allocation
- Improve Staff Remuneration
- Improve Working Environment

Expected Output

- Meet annual targets
- Tax revenue to GDP ratio will be increased
- Systematized annual tax gap analysis and proper revenue forecasting
- Positive perception towards the tax administration

Expected Output

- Provision of service that meet international standards.
- Fully intergrated automation tax system
- Implementation of ICT strategy to improve service delivery
- Implementaion of e-service system to minimize compliance cost.
- Maximization of revenue collection

Expected Output

- Streamline tax policies, tax manuals and standard procedures
- Regular exchange of information with stakeholders
- Need based taxpayer awareness programs
- Operationalization of taxpayer education manual
- Increase compliance to Taxpayers.

Expected Output

- Establishment of functional organization
- Full application of Human Resource Policy
- Review of performance management Syatem
- Assessment on physical presence, accessibility of services and work load of ZRB Staff
- Re allocation of offices and services unit for accessibility to taxpayers
- Construction of Regional offices buildings and essential equipment
- Well trained and competent staff
- Motivated staff
- Conducive working environment

Monitoring and Evaluation Key Performance Indicators (Balanced Score Card)

#	Objective	Measure	Projected Target					
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
1	Optimise Revenue Collection	Total Revenue to be Collected (TZS, billion)	374.76Bn	441.35Bn	487.24Bn	561.73Bn	609.45Bn	664.30Bn
		Tax Administration Costs as % of Revenue ¹	2.56%	3.0%	2.8%	2.3%	2.1%	1.9%
		Tax revenue as % of GDP	9.07%	10,85%	11.17%	12.59%	13.07%	13.65%
2	Improve Quality of Services and Compliance	Compliance level (%)	55%	60%	68%	72%	75%	80%
		% of returns filed electronically	NA	42%	55%	64%	70%	75%
		% of declarations filed on time	55%	60%	65%	76%	80%	85%
		% of payments made on time	52%	55%	65%	75%	80%	85%
3	Innovate Digitalization and Technology Harness	% of ZRA functions automation	30%	45%	55%	65%	70%	80%
		% of system availability	60%	65%	67%	70%	85%	90%
		% of systems accessibility	30%	45%	60%	65%	75%	80%
4	Improve Staff Performance	% of ZRA staff trained	70%	75%	78%	80%	85%	90%
		Staff turnover rate (%)	3.5%	2.5%	2.0%	1.5%	1.0%	1.0%
		Revenue per staff (TZS, Billion) ²	2.0	2.15	2.18	2.25	2.41	2.54

1 Tax Administration Costs as % of Revenue is calculated by excluding development budget.

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? Revenue per staff is calculated by taking revenue collected by ZRB divided by the number of existing staff.

Baseline Tax Item Revenue Projections for ZRA CP4 Plan 2020/21 – 2024/25 (TZS, Bn)

Tax category	2020/21	2021/22	2022/23	2023/24	2024/25	Total	As % of total
						2020/21 2024/25	
VAT Local	175.5	190.45	239.2	261.17	284.68	1,151.51	41.64
Petroleum Levy	55.54	59.79	64.04	68.29	74.44	322.11	11.65
Airport Service Charge	48.26	59.58	65.62	71.66	78.11	323.23	11.69
Excise Duty Local	29.56	31.61	33.64	35.68	38.89	169.37	6.13
Hotel Levy	38.6	42.52	46.43	50.34	54.83	232.63	8.42
Infrastructure Tax	28.18	30.86	33.54	36.22	39.48	168.28	6.09
Road Development Fund	13.84	14.9	15.96	17.02	18.55	80.27	2.90
Safety fees	12.34	13.76	15.18	16.61	18.09	75.97	2.75
Stamp Duty	12.42	14.09	15.76	17.43	19.31	78.72	2.85
Seaport Service Charge	8.77	9.73	10.69	11.65	12.73	53.54	1.94
Restaurant Levy	6.08	6.66	7.24	7.82	8.52	36.32	1.31
Motor Licensing Fees	5.6	6.11	6.62	7.13	7.77	33.23	1.20
Driving License Fees	1.88	2.01	2.14	2.27	2.47	10.77	0.39
Tour Operation Levy	2.32	2.57	2.82	3.07	3.35	14.13	0.51
Motor vehicle Registration Fees	2.46	2.63	2.88	3.14	3.42	14.53	0.53
Total	441,350,000.00	487,240,000.00	561,730,000.00	609,450,000.00	664,300,000.00	2,764.07	
GDP	4,067,400,000.00	4,360,200,000.00	4,462,500,000.00	4,663,700,000.00	4,864,900,000.00		
Zanzibar Revenue to GDP ratio ¹	24.80%	25.40%	25.80%	26.10%	26.40%		
Of which, ZRB Revenue to GDP contribution	10.85	11.17	12.59	13.07	13.65		

Projected Financial Resource Requirements 2020/21-2024/25 (TZS, billion) to Implement CP4 Reforms

	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Wage	12.87	13.24	13.54	14.04	15.27	68.96
Non-wage recurrent and Development (Non-ICT)	13.32	12.32	12.92	13.92	14.92	67.4
Strategic ICT & CP4 Investment Expenditure	17.92	24.72	13.8	10.28	9.97	76.69
Total	44.11	50.28	40.26	38.24	40.16	213.05
B. Financing						
Government Subvention	23.23	26.4	27.9	29.04	30.46	137.03
Other (own) sources	1.46	1.81	1.98	2.15	2.32	9.72
Total	24.69	28.21	29.88	31.19	32.78	146.75
Financing gap (A-B)	19.42	22.07	10.38	7.05	7.38	66.30

Priority ZRA Automation in the 4th Corporate Plan

#	Department	Processes for automation and integration
1.	Research and Planning	<ol style="list-style-type: none"> 1) Forecasting for export, import and economic growth, 2) Revenue forecasting 3) Data warehousing
2.	Finance	<p>Upgrade ERP to facilitate accounting function and subsequently replace Pastel with ERP,</p> <ol style="list-style-type: none"> 1) Development of ZIDRAS to handle payment receipts and balances, 2) Make ZIDRAS interoperable with IFMIS for reporting of collections and remittances to Treasury and reconciliation with the IFMIS
3.	Large Taxpayer and Domestic Tax	<ol style="list-style-type: none"> 1) Set up self-assessment portal to enable tax payers to perform the assessments online 2) Include procedures for this category of taxpayers in the self-assessment portal to enable tax payers to perform the assessments online
4.	Non-Tax Revenue	<ol style="list-style-type: none"> 1) Integration of various ZRA partners to share information, especially TRA for motor vehicle registration, Ministry of Transport and ports for drivers and road licenses 2) Reporting of line-item revenue collections directly into ZIDRAS
5.	Domestic Tax (DTD) and Investigation and Staff Affairs Unit	<ol style="list-style-type: none"> 1) Integration of ZRA systems to hotels to maintain updated information to support spot checks 2) Integrate/access to ZIDRAS from which the department can get information about tax payers to perform compliance reviews.
6.	Internal Audit	Monitoring of internal controls
7.	Legal Services and Board Matters Unit	<ol style="list-style-type: none"> 1) Application to provide department access of taxpayer information/history 2) Register of tax exemptions from ZIDRAS
8.	ZRA Pemba Office	<ol style="list-style-type: none"> 1) Extend all automated processes in the Head office with the ZRA Pemba office 2) Extension of Pastel/ERP implementation 3) Integration with TRA, NIDA, Immigration
9.	Human Resources and Administration	<p>Automation of:</p> <ol style="list-style-type: none"> 1) Inventory Management 2) Procure to pay 3) Leave Management 4) Performance Management
10.	International Taxation and Technical Unit	Application to detect revenue leakages and fraud
11.	Large Taxpayer, Domestic Tax & Non-Tax Revenue	Automation of Debt information and Debt Recovery System
12.	Procurement Management Unit	Automation of the system of procurement, including systems for acquisition of supplies and services

