

## Higher Tax Collection in Tanzania is not to be Proud of

### News:

Tanzania and international media outlets reported on Tanzania Revenues Authority (TRA) collections of up to 8.45% of revenue for the past few months. Speaking at a news conference in Dar es Salaam recently, TRA'S Director for Taxpayer Services and Education, Mr Richard Kayombo praised taxpayers for enabling TRA to raise such amount and the authority is embarking on a nationwide campaign to free register taxpayers' Identification Number (TIN) to simplify collection process.

### Comment:

Taxation is the system capitalist states use to raise money to finance government spending and other services, and it accounts to more than 90% of its income in capitalist/democratic governments. It is crystal-clear that from the beginning up to the end of capitalism system these practical steps taken by governments cannot in anyway improve citizens' living standard.

Taxation in a capitalist economy creates a number of problems, such as frustrating wealth distribution, discourages investments, increases unemployment, creates inflation and higher cost of living, encourages social inequalities since taxation burden falls heavily upon the poor while the wealthy utilize tax loopholes, bribes and tax havens to escape.

Furthermore, raising a huge collection of taxation does not mean that all funds going in the right direction in spending as claimed. In the capitalist system in most cases funds are abused and grabbed by rogue hands, while only few are channeled in the right direction.

In spite of Tanzania boasting on success in tax collection, yet a few days ago the IMF report warned Tanzania of economic slowdown, urging the government to take urgent measures to reverse the downward trend that has shown superficial strong growth, while in reality there is a sharp weakening of economic activity. ([xinhuanet.com](http://xinhuanet.com))

In Islam, there is zakat at a percentage of 2.5 of the wealth that exceeds a certain amount over a time span of one year this allows the extra money to flow around the economy which results for many people to enter into economic businesses, hence creating more employment and more flow of goods and services and encourages investment. Unlike capitalist manmade laws that bring injustice, oppression, corruption and enslavement of country and people.

It is only by Islam that economic justice would be established among people and set right their affairs. Revenues of the Khilafah state from *kharaj*, booties etc. together with public property such as gas, oil and minerals will be utilized to benefit all citizens of the Khilafah regardless of their religion.

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