

EXCISE DUTY AMENDMENTS

SN	Amendment	Justification
1.	<p>OTT, internet data & Value-added telecom services</p> <p>Government has:</p> <p>a) Scrapped over the top tax (OTT)</p> <p>b) Introduced a harmonized excise duty rate of 12.0% on internet data except data for provision of medical services and education services</p> <p>c) Reduced excise duty from 20% to 12% on provision of Value-Added Services in Telecoms</p>	<ul style="list-style-type: none"> • To generate revenue • To improve efficiency in collection (from data other than OTT which is highly evaded) • Remove multiple rates on various telecommunications services which pose a compliance challenge for taxpayers
2.	<p>Duty remission</p> <p>a) Where the Commissioner is satisfied that a plastic product</p> <ul style="list-style-type: none"> • Is for use in packaging of products for export • Is for use in packaging medicaments • Is manufactures from recycled plastics, <p>the Commissioner will grant a refund of excise duty paid.</p> <p>b) The Commissioner shall not remit excise duty paid on plastic product manufactured from recycled plastics & plastic packaging for medicaments, unless the recycled plastic used in the manufacture of the plastic packaging is equivalent to at least 50 % of the raw material used.”</p>	<ul style="list-style-type: none"> • This is an incentive to encourage investment in manufacturing of the specified goods.
3.	<p>Scope of excise duty</p> <p>Government has</p> <p>a) Broadened the scope of taxation of plastics to cover all plastics</p> <p>b) Introduced excise duty of 2.5% or USD70/ton, whichever is higher on plastic product and plastic granules.</p>	<ul style="list-style-type: none"> • To generate revenue. • To discourage the consumption of plastics and protect the environment.
4.	<p>Reduce excise duty</p> <p>Government has reduced the excise duty rate for opaque beer to 20% or shs. 230 per litre whichever is higher</p>	<ul style="list-style-type: none"> • To revamp the product line. Production tant had ceased lapsed due to tax increase
5.	<p>Increase excise duty</p>	<ul style="list-style-type: none"> • To generate revenue

	<p>Government has increased excise duty on:</p> <p>a) Motor spirit (gasoline) from shs 1350 to shs. 1450 per litre</p> <p>b) Gas oil (automotive, light, amber for high speed engine) from shs. 1030 to shs 1130 per litre</p>	
6.	<p>Introduce excise duty</p> <p>Government has</p> <p>a) Introduced excise duty of 20% or UShs. 230 per litre whichever is higher on any other alcoholic beverages locally produced</p> <p>b) Introduced excise duty of 12% or shs 250 per litre whichever is higher on any other non-alcoholic beverage locally produced (excluding non-alcoholic beverages not including vegetable or fruit juices) locally produced made out of fermented sugary tea solution with a combination of yeast and bacteria</p> <p>c) Introduced excise duty on;</p> <p>i. Any other fermented beverages made from imported cider, perry, mead, spears or near beer of '60% or shs 950 per litre, whichever is higher'</p> <p>ii. Any other fermented beverages made from locally grown cider, perry, mead, spears or near beer of '30% or shs 550 per litre, whichever is higher'</p>	<ul style="list-style-type: none"> • To generate revenue
8.	<p>Nil excise duty</p> <p>Government has put nil excise duty on construction materials of a manufacturer, (excluding a manufacturer dealing in agro processing, food processing, medical appliances, building materials, light industry, automobile manufacturing and assembly, household appliances, furniture, logistics and warehousing, information technology, or commercial</p>	<ul style="list-style-type: none"> • This incentive is to encourage investment in the manufacturing sector.

	farming) , whose investment capital is, at least fifty million United States Dollars or, in the case of any other manufacturer, who makes an additional investment equivalent to fifty million United States Dollars	
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