TAX POLICY CHANGES FOR THE FY 2021/22 ARE FOCUSED ON EASING THE BURDEN OF TAX COMPLIANCE AND ENCORAGING COMPLIANCE

In line with the budget theme of **'Sustainable Industrialization for Inclusive Growth, Employment and Wealth Creation'** the changes in tax legislation this financial year are geared towards Government's commitment to industrialization/import substitution, boosting local production, creation of employment, supporting local and foreign investment, easing the burden of tax compliance and encouraging compliance.

This will expand the tax base and increase the tax to GDP ratio of Uganda, leading to growth in domestic revenue so that Uganda can fully finance her national budget and achieve total economic independence

COVID 19 has affected many businesses and Government has put in place several initiatives to enable businesses recover from the socioeconomic setbacks caused by the COVID-19 pandemic. Government put this into consideration in drafting these policy changes among other initiatives.

A brief analysis is on how the Tax Policy measures for last FY 2020/21 performed

As at end April 2021, URA had collected UGX 15.585 trillion against an annual target of UGX 21.63trillion, which is 72.05% of the total revenue

Tax policy and Administrative measures for this FY, that were presented in the Budget of 2020, contributed UGX 905.93Bn as at the end of March 2021, against a target of UGX 854.88 Bn. Out of this, Arrears management contributed UGX 709.37Bn mainly attributed to implementation of Alternative Dispute Resolution and efficiency gains in the arrears management process.

The table below shows performance of Tax policy and Administrative measure:

Measure		Revenue Gain/Loss FY 2020/21	Actual Yield July to March	Performance level
A	Income Tax	17.00	3.02	17.76%
B	Excise Duty	305.78	160.25	52.41%
C	Value Added Tax	(81.00)	(8.23)	10.16%
D	Stamp Duty	(33.20)	(26.64)	80.24%
E	Customs	180.00	19.20	10.67%
F	Road Safety Act 2018	(81.70)	-	0.00%
H	Administrative Measures	548.00	758.32	138.38%
	Total	**854.88**	**905.93**	**105.97%**

How URA has re-positioned to deliver on her mandate.
In order to deliver on the expectations from Government in the medium and long term, URA has re-positioned herself by redefining her Mission, Vision and Core values, while placing special attention to the integrity of our staff, processes and systems.

We believe that it's through this that we shall be able to improve service offering to our esteemed Clients, re-build URA's Credibility, improve Compliance levels and ultimately deliver Uganda from Economic dependency.

Measures to be implemented:

In order to meet and exceed Clients and Stakeholder expectations, URA has prioritised the following interventions, to be implemented both in the short & medium term:

Process Improvements - Process re-engineering, automation of manual process, processes integration. Simplification and standardization, revamp TIN registration, **Improve Tax Education** – Review the scope of Tax Education, simplification, and institute mobile taxpayer services (Mobile bus for registration, education and compliance), **Tax base Expansion & Maintenance** - Research on new tax handles and grow the tax register, **Technology and Data** - Enhance data security, simplifying the systems for the taxpayers, improve availability of services and improve the capacity of IT infrastructure, **Focusing on smart solutions**- like Electronic Fiscal Receipting and Invoicing Solution, Digital Tracking solution/Digital Tax stamps. **Improve our people and Governance** – This will entail among others, developing the desired URA staff culture, integrity enhancement, structural review and functional alignment, enhance Institutional Memory and Knowledge Retention, introducing multi-dimensional selection and recruitment assessment for the different levels,

Below we are the tax policy changes broken down in simpler terms and with justifications.

These policy changes were passed by Parliament and have been assented to by the President of the Republic of Uganda. The tax laws will however take effect from 01 July 2021. Below is a summary of the key policy changes and how you can take advantage of them to grow your business;

INCOME TAX AMENDMENTS

SN	Amendment	Justification
1.	**Introduce new definitions** **Beneficial owner:**	• Uganda has adopted this definition just like its counterparts in the East

	a) means a natural person who has final ownership or control of another person or a natural person on whose behalf a transaction is conducted, and includes a natural person who exercises absolute control over a legal person. b) in relation to trusts includes— i) the settlor; ii) the trustee; iii) the protector; iv) the beneficiaries; and v) any other natural person exercising absolute control of the trust; c) in relation to other legal person similar to trusts, means a natural person holding a position equivalent any of the positions referred to in subparagraph (b) above **Consideration:** includes, the total amount in money or of payment in kind, paid or payable for the supply of goods, services or sale of land by any person, directly or indirectly, including any duties, levies, fees, and charges other than tax paid or payable on, or by reason of, the supply, reduced by any discounts or rebates allowed and accounted for at the time of the supply or sale; **Clarify the definition of** **An exempt organization** to include a religious, charitable or educational institution whose object is not for profit.	African region to align with the internationally agreed definition. The current definition falls short of the internationally agreed definition of “beneficial owner” as per the Organization for Economic Cooperation and Development (OECD). • The purpose of this definition is to eliminate any ambiguity as regards what amounts to consideration under the Income Tax Act • To provide wording that is clearer than the current wording of the law which provides that the institution should be of a public character which is subjective in interpretation.
2.	**Agro processing** Government has repealed paragraph (z) of Section 21 (1) which provided for income tax exemption for agro processors. This paragraph was giving a blanket exemption to all persons earning income from agro	• To generate revenue • To do away with duplication since a similar exemption is provided under section 21(1)(a) of the same law.

	processing. This has been narrowed down to specific sections with in the sector and will only be applicable if certain conditions as to investment threshold and utilization of locally sourced raw materials, employment of citizens and their earnings are met.	
3.	**Ten-year income tax exemption** a) Government has made an addition to the strategic sectors qualifying for the ten-year income tax exemption - an operator in an industrial park or free zone or any other person who manufactures chemicals for agricultural use, industrial use, textiles, glassware, leather products, industrial machinery, electrical equipment, sanitary pads and for diapers. b)	• To encourage investment in the specified sectors
4.	**Rental Tax** Government has a) Capped up to 75 % of allowable deductions for expenditure and losses incurred in generating rental income. This applies to both individuals and non-individuals	• To ensure equitable taxation of rental income irrespective of the legal nature of the person deriving income. This will remove distortions which arise from capping the allowable deductions for a year of income of individual rental taxpayers, but allows unlimited deductions for non-individual rental taxpayers • This reform will remove the incentive for individual property owners to own properties through companies in order to claim fictitious deductions.
	b) Increased the rate for rental income tax for individuals from 20% to 30%.	• To generate revenue • To harmonize the tax regime for businesses and individuals by equalizing

<table>
<tr><td></td><td></td><td>the treatment of individuals and non-individuals</td></tr>
<tr><td>5.</td><td>Depreciation of assets
Government has
a) Reduced the classes of assets for depreciation purposes from four to three and reduced the depreciation rate as well

<table>
<tr><th>Class</th><th>Assets included</th><th>Rate</th></tr>
<tr><td>1</td><td>Computers and data handling</td><td>40%</td></tr>
<tr><td>2</td><td>Plant and machinery used in farming, manufacturing and mining.</td><td>30%</td></tr>
<tr><td>3</td><td>Automobiles; buses, minibuses, goods vehicles, construction and earth moving equipment, specialised trucks, tractors, trailers and trailer mounted containers, rail cars, locomotives and equipment; vessels, barges, tugs and similar water transportation equipment; aircraft; specialised public utility plant, equipment and machinery; office furniture, fixtures and equipment; any depreciable asset not included in another class.”</td><td>20%</td></tr>
</table>

b) Postponed the deduction for the depreciation of an asset that qualifies for initial allowance to the next year of income.
i. Wear and Tear deduction</td><td>• Lowering the depreciation rate, reduces the number of firms making a "tax loss" and increasing chargeable income - ultimately resulting in higher Corporate Income Tax revenue.

• To generate revenue by discontinuing concurrent deduction of initial allowances and depreciation in the first year of use of the qualifying asset
• Increase chargeable income and tax payable for the first year of income in which the depreciable assets are first used.</td></tr>
</table>

	ii. Industrial building allowance This will discontinue concurrent deduction of initial allowances and depreciation in the first year of use of the qualifying asset.	
6.	**Capital Gains** Government has a) Provided for indexation in the calculation of capital gains tax in order to account for inflation. This means that before determining Capital Gains tax on a business asset, one will factor in inflation among others that influence the asset value. However, indexation shall not apply to an asset that is sold within twelve months from the date of purchase. b) Prescribed a formula for calculating the expense to be included in the cost base of a business asset when computing the gain or loss on disposal of that asset (Capital Gains Tax – Indexation). This only applies where the asset is sold after 12 months from the date of purchase of that Asset. **Note:** Indexation accounts for the inflation effect on each item of cost or expense included in the cost base of the asset. c) Provided for preferential treatment of capital gains tax for a venture capital fund registered under the Capital Markets Authority Act. Venture capital is a form of private equity and a type of financing that investors provide to startup companies and small businesses that are believed to have long-term growth potential. In this amendment, capital gains arising from the sale of investment interest of a registered venture capital fund will not be	• To promote Investment Allowing inflation or valuation in establishing the real value of the cost base in order to determine the gain before application of the 30% tax rate will eliminate over taxation of tax payers and encourage acquisition of capital for investment in the country. • To reduce the cost of capital by promoting investment into high risk enterprises. • To promote investment since it will provide a much-needed incentive to venture capital funds to set up in the country.

	recognized if at least 50% of the proceeds on sale is reinvested within the year of income. A venture capital fund shall be entitled to a non-recognition of a gain or loss equivalent to the percentage of reinvested proceeds.	
8.	**Exchange of Information** Where an international agreement provides for automatic exchange of information for tax purposes, the Commissioner shall in accordance with the regulations made by the Minister facilitate the automatic exchange of information.	• To generate revenue from information generated both domestically and from reciprocal information obtained from treaty partners • To facilitate automatic exchange of information of non-resident persons with their tax residence jurisdictions, in accordance with the OECD (Organisation of Economic Co-operation and Development) Multilateral Convention on Mutual Administrative Assistance in Tax Matters • To incorporate and analyse reports on Financial account information available domestically with what is submitted in tax returns to ensure proper tax reporting of Financial Institutions and their clients. • Uganda will be able to access financial account information from offshore Financial Institutions by exchanging reciprocal financial account data with mutual treaty partners under Section 6 of the

		Multilateral Convention on Mutual Administrative Assistance in Tax Matters which came into effect on 1st Sept 2016.
9.	**Listed institutions** Government has added to the First Schedule of the Income Tax Act two institutions - the African Export – Import Bank (AFREXIMBANK) and the International and Union for Conservation of Nature	• AFREXIMBANK is an international organization whose host agreement with Government of Uganda entitles it to exemption. • International and Union for Conservation of Nature is an international organisation whose members are by agreement obliged to provide it with exemption and Uganda is a member
10.	**Payment due date** Government has re-introduced the payment due date for income tax purposes. This provision was previously contained in the Income Tax Act but was repealed with the coming into force of the Tax Procedures Code Act and the same was never replaced. Provision for the due date of payment of income tax as a result of a self-assessment or an assessment issued by the Commissioner shall be; i. in the case of self-assessment, on the due date for furnishing of the return of income to which the assessment relates; and ii. in any other case, within forty-five days from the date of service of the notice of assessment	• To enhance tax compliance. The absence of a due date for payment of tax in the law has resulted into taxpayers taking their time to pay the taxes self-assessed with no worry of interest accruing from delayed payment of tax.
11.	**Tax refunds** Government has amended the law to provide that a taxpayer shall be deemed to have submitted an application for refund on the date the application is received by the Commissioner. However, where the Commissioner requests for additional	• To cater for situations where the delay in refund is due to the delay in the taxpayer submitting the requisite documents for verification

	information, the application for refund shall be deemed to have been submitted on the date when the additional information is received by the Commissioner	

VALUE ADDED TAX AMENDMENTS

SN	Amendment	Justification
1.	**VAT Exempt supplies** a) The following items have been removed from the list of exempt supplies; • The supply of production inputs into limestone mining and processing into clinker in Uganda and the supply of clinker for further value addition in Uganda has been made standard rated. b) The following supplies have been exempted from VAT • the supply of liquefied gas and denatured fuel ethanol from cassava • the supply of services to a manufacturer other than [a manufacturer who engages in supply of locally produced materials for construction of a factory or warehouse and the supply of locally produced raw materials and inputs or machinery and equipment to an operator within an industrial park, free zone or an operator within a single factory or other business outside the industrial park or free zone]. **Condition** The investment capital of this manufacturer should be at least USD 30 million for a foreign investor or USD 5 million for a local investor,	• To promote strategic investments in the country • It is an incentive to encourage investment in the manufacturing sector.

	to conduct a feasibility study or to undertake design and construction, or in the case of any other manufacturer from the date on which the manufacturer makes an additional investment equivalent to USD 30 million for a foreign investor or USD 5 million for a local investor; o who has capacity to use at least 70 percent of the raw materials that are locally sourced, subject to their availability, and o Who has capacity to employ at least 70 percent of the employees that are citizens earning an aggregate wage of at least 70 percent of the total wage Bill.	
3.	**Zero rated supplies** The following supplies are now zero rated • The supply of leased aircraft, aircraft engines, spare parts for aircraft, aircraft maintenance equipment and repair services	• To promote the aviation industry by adding maintenance and repair services
4.	**Listed institutions** Government has added to the First Schedule of the VAT Act two institutions - the African Export – Import Bank (AFREXIMBANK) and the International and Union for Conservation of Nature	• To promote trade by providing relief to banks that finance trade.
5.	**Input tax claim** The amendment seeks to allow a period of six (6) months from the date of issue of the invoice within which a person can apply for an input tax credit.	• To streamline claims for VAT credit to ensure that tax payers do not file applications for refunds after a long period of time
6.	**Refunds** The law has introduced a tax refund of 5% of the VAT amount, to be paid back to consumers who purchase goods or services from a taxable person and is issued with an electronic receipt or invoice worth five million shillings within a consecutive period of thirty days.	• To provide an incentive for enforcement of the use of the electronic fiscal receipting and invoicing solution.
7.	**Returns**	• To create a simplified regime for non-resident

	The law has created a separate quarterly return for non-resident suppliers of services deemed to be supplied in Uganda when made to non-taxable persons. A taxable person who is providing services to a non-taxable person in Uganda and is engaged in providing services in connection to. • Immovable property in Uganda; • Radio or television broadcasting services received at an address in Uganda; • Electronic Services delivered to a person in Uganda; • Transfer, assignment, or grant of a right to use a copyright, patent, trademark, or similar right in Uganda; • Telecommunication services other than those by a supplier of telecommunication services or services to a person who is roaming while temporarily in Uganda These shall be required to file returns within 15 days after the end of the three consecutive calendar months.	providers of services deemed to be supplied in Uganda.
8.	**Penalties** Penalties on any taxable person who furnishes URA with information that is false or misleading regardless of whether it was done knowingly or recklessly or not.	• Compliance measure

EXCISE DUTY AMENDMENTS

SN	Amendment	Justification
1.	**OTT, internet data & Value-added telecom services** Government has: a) Scrapped over the top tax (OTT) b) Introduced a harmonized excise duty rate of 12.0% on internet data except data for provision of medical services and education services	• 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

	c) Reduced excise duty from 20% to 12% on provision of Value-Added Services in Telecoms	compliance challenge for taxpayers
2.	**Duty remission** a) Where the Commissioner is satisfied that a plastic product • Is for use in packaging of products for export • Is for use in packaging medicaments • Is manufactures from recycled plastics, the Commissioner will grant a refund of excise duty paid. 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."	• This is an incentive to encourage investment in manufacturing of the specified goods.
3.	**Scope of excise duty** Government has a) Broadened the scope of taxation of plastics to cover all plastics b) Introduced excise duty of 2.5% or USD70/ton, whichever is higher on plastic product and plastic granules.	• To generate revenue. • To discourage the consumption of plastics and protect the environment.
4.	**Reduce excise duty** Government has reduced the excise duty rate for opaque beer to 20% or shs. 230 per litre whichever is higher	• To revamp the product line. Production ~~lant~~ had ceased~~ollapsed~~ due to tax increase
5.	**Increase excise duty** Government has increased excise duty on: a) Motor spirit (gasoline) from shs 1350 to shs. 1450 per litre b) Gas oil (automotive, light, amber for high speed ingine) from shs. 1030 to shs 1130 per litre	• To generate revenue
6.	**Introduce excise duty** Government has	• To generate revenue

	a) Introduced excise duty of 20% or UShs. 230 per litre whichever is higher on any other alcoholic beverages locally produced 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 c) Introduced excise duty on; 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' 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'	
8.	**Nil excise duty** 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 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	• This incentive is to encourage investment in the manufacturing sector.

STAMP DUTY AMENDMENTS

SN	Amendment	Justification

1.	Government has in addition to earlier conditions necessary for stamp duty exemption for operators in strategic investment projects (specified in Item 60 A (iii) of the Second Schedule of the Stamp Duty Act) included: a. Capacity to use at least 50% of the locally produced raw materials, subject to availability. b. Capacity to employ a minimum of one hundred citizens This means that such investors must have capacity to use 50% of raw materials sourced locally and must be able to employ a minimum of 100 citizens.	• Investment incentive for the manufacturing sector
2.	Government has exempted a manufacturer whose investment capital is 50 million US dollars from stamp duty on execution of the following documents; i) debenture; whether a mortgage debenture or not, being of a marketable security – of total value; ii) further charge; any instrument imposing a further charge on a mortgaged property –of total value; iii) lease of land – of total value; iv) increase of share capital; v) transfer of land; vi) an agreement to provide services on conducting a feasibility study or developing a design for construction."; Conditions for the above exemption a) In case of a new manufacturer, who is subject to availability, has capacity to use at least 70% of the locally produced raw materials, and employs at least 70% citizens with an aggregate wage bill of the new manufacturer and whose investment capital is at least 50 million US Dollars b) In case of an existing manufacturer who subject to availability has capacity to use at least 70% of the	• Investment incentive for the manufacturers whose investment capital is 50 million US Dollars

	locally produced raw materials, and employs at least 70% citizens with an aggregate wage bill of the existing manufacturer from the date on which the manufacturer makes an additional investment equivalent of 50 million US Dollars	

THE TAX PROCEDURES CODE ACT AMENDMENTS

SN	Amendment	Justification
1.	**Issuance of licenses** A local authority, government institution or regulatory body shall not issue a license or any form of authorization necessary for purposes of conducting any business in Uganda to any person who does not have a Tax Identification Number including one issued by foreign tax authorities with whom Uganda has a tax treaty or agreement for the exchange of information.	• To widen the tax base • To improve compliance
2.	**Offences relating to tax stamps** Government has included_more offences relating to tax stamps which would attract fines and or imprisonment, upon conviction; a) an offender who attempts to acquire or acquires or sells a tax stamp without goods shall be liable to a fine not exceeding Shs. 10,000,000 or imprisonment for a term not exceeding five years or both; b) a person who acquires tax stamps with the Commissioner's authority and affixes them on goods other than those approved by the Commissioner commits an offence and is liable to double the excise duty due on the goods or Shs. 10,000,000 whichever is higher.	• To improve compliance
3.	**Definition of Tax Decision** The law has been amended to define Tax decision to mean: a) A tax assessment; or	• To provide wording that is clearer than the current wording of the law

	b) A decision on any matter left to the discretion, judgement, direction, opinion, approval, satisfaction or determination of the Commissioner other than i) a decision made in relation to a tax assessment; ii) a decision to refuse, issue or revoke a practice note or an omission to issue or revoke a practice note; iii) a decision or omission that affects a tax officer or employee or agent of the authority iv) the compoundment of an offence under any tax law; or v) a decision to refuse, issue or revoke a private ruling or an omission to issue ir revoke a private ruling	
4.	**Tax returns** The law has provided an extension of the period to amend tax returns that are not under investigation from the twelve-month period after the date of furnishing the return to a period of three years.	• Compliance measure to taxpayers submit correct, accurate and complete returns.
6.	**Objection** A taxpayer who is dissatisfied with an objection decision may apply to the Commissioner to resolve the dispute using alternative dispute resolution procedures that may be prescribed by the Minister through regulations. This may present other avenues for taxpayers who would like to review tax decisions issued by URA without necessarily lodging an appeal to the Tax Appeals Tribunal.	• To reduce the number of cases piling up in TAT and fasten the resolution of the taxpayer's grievances.
7.	**Failure to furnish a return by due date** Government has increased the penalty for failure to furnish a tax return by the due date or within a further time allowed by the Commissioner to a fine not exceeding Shs. 1,000,000 and failure to furnish the	• To enhance compliance

	return within the time prescribed by court to a fine not exceeding Shs. 2,000,000 on conviction.	
8.	**Failure to maintain records** Government has increased the penalty for knowingly and/or recklessly failing to maintain records as required under any tax law to a fine not exceeding Shs. 2,000,000 or imprisonment not exceeding six years or both on conviction.	• To enhance compliance
9.	**Using a false TIN** Government has increased the penalty for knowingly and/or recklessly using a false TIN on a tax return or any other document prescribed or used for purposes of a tax law to a fine not exceeding Shs. 3,000,000 or imprisonment not exceeding six years or both on conviction.	• To enhance compliance
10.	**Making false or misleading statements** Government has increased the penalty for knowingly or recklessly making false or misleading statements or omitting from a statement to a tax officer, a matter or thing to a fine not exceeding two hundred currency points that is Shs. 4,000,000 or imprisonment not exceeding ten years or both on conviction.	• To enhance compliance
11.	**Obstructing a tax officer** Government has increased the penalty for a person who obstructs a tax officer in the performance of duties under a tax law to a fine not exceeding Shs. 5,000,000 or imprisonment not exceeding ten years or both on conviction.	• To enhance compliance
12.	**Aiding or encouraging a tax offence** Government has increased a penalty for a person who aides or encourages a tax offence to a fine not exceeding Shs. 5,000,000 or imprisonment not exceeding ten years on conviction. Where the offender is a Tax agent, the applicable fine is equal to double the tax evaded or not exceeding UGX 5,000,000	• To enhance compliance

	whichever is higher, or imprisonment for a term not exceeding 5 years, or both.	
13.	**Failure to apply for registration** Government has increased the penalty for a person who fails to apply for registration, cancel a registration or notify the Commissioner of a change in registration or circumstances to; i. a fine not exceeding Shs. 3,000,000 or imprisonment not exceeding six years or both on conviction if the failure/act was done knowingly or recklessly. ii. to a fine not exceeding Shs. 1,000,000 or imprisonment not exceeding two years or both on conviction in any other case.	• To enhance compliance
13.	**Offering a tax officer any payment or reward** Government has increased the penalty for a person who directly or indirectly offers or gives to a tax officer any payment or reward not being payment or reward which officer is lawfully entitled to receive to a fine not exceeding Ush 3,000,000 or imprisonment not exceeding 6 years or both upon conviction.	• To prevent revenue loss
14.	**Induce the officer to do any act** Government has increased the penalty for a person who proposes or enters into any agreement with a tax officer in order to induce the officer to do any act or thing, abstain from doing any act or thing, connive in the doing of any act or thing or conceal any act or thing whereby the tax revenue is or maybe defrauded or which is contrary to the provisions of a tax law or to the proper execution of the officer's duty, to a fine not exceeding Ush 3,000,000 or imprisonment not exceeding 6 years or both upon conviction.	• To prevent revenue loss
15.	**Impersonating as a tax officer** Government has increased the penalty for a person who impersonates a tax officer, to a fine not exceeding Shs.2, 000,000 or	• To prevent revenue loss

	imprisonment not exceeding six years or both upon conviction.	
14.	**Failure to apply for registration** A person who is not registered as a tax agent who acts as a tax agent commits an offence and is liable on conviction to fine not exceeding 480,000 UGX or to imprisonment not exceeding one year or both."	• To prevent revenue loss

TAX APPEALS TRIBUNAL ACT AMMENDMENT

SN	Amendment	Justification
1.	Government has increased on the appeals process to consider appeals beyond high court as was the case previously **a) Appeals to Court of Appeal** Allow for the appeal of the decisions of the High court, arising from appeals to the Tax Appeals Tribunal, to proceed to the Court of Appeal. This Appeal ought to be lodged within 30 days after being notified of the decision or within further time as the Court of Appeal may allow. **This appeal will be on questions of law only.** The Court of appeal shall inquire and determine the appeal expeditiously and shall declare its findings not later than 60 days from the date of filing the appeal. **b) Appeal to Supreme Court** An appeal to the Supreme Court may be lodged with a certificate of the court of appeal that the matter raises questions of law of great public importance or if the Supreme Court in its overall duty to see that justice is done, considers that the appeal should be heard. The Supreme Court shall inquire and determine the appeal expeditiously and shall declare its findings not later than 30 days from the date of filing the appeal."	• Improve taxpayer rights in dispute resolution

2.	**Operation and Implementation of a tax decision subject to review or appeal** Where an application for review or appeal of a tax decision has been lodged with a reviewing body, the reviewing body may make an order staying or otherwise affecting the operation or implementation of the decision under review or appeal, or a part of the decision, as the reviewing body considers appropriate for the purposes of securing the effectiveness of the proceeding and determination of the application for review or appeal. Where the decision maker is required to refund an amount of tax to a person as a result of a decision of a reviewing body, the tax shall be repaid with interest at the rate specified in the relevant law on the amount of the refund for the period commencing from the date the person paid the tax refunded and ending on the last day of the month in which the refund is made. Reviewing body means the Tribunal, the High Court, the Court of Appeal and the Supreme Court.	• Improve taxpayer rights in dispute resolution

MINING (AMENDMENT) BILL, OF 2021

SN	Amendment	Justification
1.	Government has imposed a levy on processed gold at a rate of 5% of the value of a kilogram which is exported outside Uganda. This shall be paid to Uganda Revenue Authority at the point the processed gold is exported out of Uganda.	To generate revenue
2.	Government has imposed a levy on unprocessed minerals at a rate of 10 % of the value of the unprocessed minerals exported out of Uganda. This shall be paid to the URA at the time when the unprocessed minerals are exported out of Uganda.	To generate revenue

THE TOBACCO CONTROL ACT AMENDMENTS

SN	Amendment	Justification
1.	a) Government has introduced a levy on leaf tobacco at the rate of USD 0.8 per Kilogram of leaf tobacco which is exported out of Uganda b) The levy shall be paid by the exporter to URA at the time the tobacco is exported out of Uganda c) Leaf tobacco shall not include cutrag; threshed stem, threshed strips; threshed loose leaves or threshed lamina	• To generate revenue. • To promote local value addition on locally grown tobacco before export

THE FISH ACT AMENDMENT

SN	Amendment	Justification
1.	a) Government has imposed a levy on fish maw exported out of Uganda at a rate of 8% of the total value. b) The levy shall be paid by the exporter to the Uganda Revenue Authority at the time the fish maw is exported out of Uganda	To generate revenue

Ian Rumanyika

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