

## THE TAX PROCEDURES CODE ACT AMENDMENTS

SN	Amendment	Justification
1.	<p><b>Issuance of licenses</b></p> <p>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.</p>	<ul style="list-style-type: none"> <li>• To widen the tax base</li> <li>• To improve compliance</li> </ul>
2.	<p><b>Offences relating to tax stamps</b></p> <p>Government has included more offences relating to tax stamps which would attract fines and or imprisonment, upon conviction;</p> <p>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;</p> <p>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.</p>	<ul style="list-style-type: none"> <li>• To improve compliance</li> </ul>
3.	<p><b>Definition of Tax Decision</b></p> <p>The law has been amended to define Tax decision to mean:</p> <p>a) A tax assessment; or</p> <p>b) A decision on any matter left to the discretion, judgement, direction, opinion, approval, satisfaction or determination of the Commissioner other than</p> <p style="padding-left: 20px;">i) a decision made in relation to a tax assessment;</p> <p style="padding-left: 20px;">ii) a decision to refuse, issue or revoke a practice note or an</p>	<ul style="list-style-type: none"> <li>• To provide wording that is clearer than the current wording of the law</li> </ul>

	<p>omission to issue or revoke a practice note;</p> <p>iii) a decision or omission that affects a tax officer or employee or agent of the authority</p> <p>iv) the compoundment of an offence under any tax law; or</p> <p>v) a decision to refuse, issue or revoke a private ruling or an omission to issue or revoke a private ruling</p>	
<b>4.</b>	<p><b>Tax returns</b></p> <p>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.</p>	<ul style="list-style-type: none"> <li>• Compliance measure to taxpayers submit correct, accurate and complete returns.</li> </ul>
<b>6.</b>	<p><b>Objection</b></p> <p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>• To reduce the number of cases piling up in TAT and fasten the resolution of the taxpayer's grievances.</li> </ul>
<b>7.</b>	<p><b>Failure to furnish a return by due date</b></p> <p>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 return within the time prescribed by court to a fine not exceeding Shs. 2,000,000 on conviction.</p>	<ul style="list-style-type: none"> <li>• To enhance compliance</li> </ul>
<b>8.</b>	<p><b>Failure to maintain records</b></p> <p>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.</p>	<ul style="list-style-type: none"> <li>• To enhance compliance</li> </ul>

	2,000,000 or imprisonment not exceeding six years or both on conviction.	
<b>9.</b>	<p><b>Using a false TIN</b></p> <p>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.</p>	<ul style="list-style-type: none"> <li>• To enhance compliance</li> </ul>
<b>10.</b>	<p><b>Making false or misleading statements</b></p> <p>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.</p>	<ul style="list-style-type: none"> <li>• To enhance compliance</li> </ul>
<b>11.</b>	<p><b>Obstructing a tax officer</b></p> <p>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.</p>	<ul style="list-style-type: none"> <li>• To enhance compliance</li> </ul>
<b>12.</b>	<p><b>Aiding or encouraging a tax offence</b></p> <p>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.</p> <p>Where the offender is a Tax agent, the applicable fine is equal to double the tax evaded or not exceeding UGX 5,000,000 whichever is higher, or imprisonment for a term not exceeding 5 years, or both.</p>	<ul style="list-style-type: none"> <li>• To enhance compliance</li> </ul>
<b>13.</b>	<p><b>Failure to apply for registration</b></p> <p>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;</p>	<ul style="list-style-type: none"> <li>• To enhance compliance</li> </ul>

	<p>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.</p> <p>ii. to a fine not exceeding Shs. 1,000,000 or imprisonment not exceeding two years or both on conviction in any other case.</p>	
<b>13.</b>	<p><b>Offering a tax officer any payment or reward</b></p> <p>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.</p>	<ul style="list-style-type: none"> <li>• To prevent revenue loss</li> </ul>
<b>14.</b>	<p><b>Induce the officer to do any act</b></p> <p>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.</p>	<ul style="list-style-type: none"> <li>• To prevent revenue loss</li> </ul>
<b>15.</b>	<p><b>Impersonating as a tax officer</b></p> <p>Government has increased the penalty for a person who impersonates a tax officer, to a fine not exceeding Shs.2, 000,000 or imprisonment not exceeding six years or both upon conviction.</p>	<ul style="list-style-type: none"> <li>• To prevent revenue loss</li> </ul>
<b>14.</b>	<p><b>Failure to apply for registration</b></p> <p>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</p>	<ul style="list-style-type: none"> <li>• To prevent revenue loss</li> </ul>

	imprisonment not exceeding one year or both.”	
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