
BILLS

SUPPLEMENT No. 4

27th March, 2024

BILLS SUPPLEMENT

to The Uganda Gazette No. 22, Volume CXVII, dated 27th March, 2024

Printed by UPPC, Entebbe, by Order of the Government.

Bill No. 53

Value Added Tax (Amendment) Bill

2024

THE VALUE ADDED TAX (AMENDMENT) BILL, 2024

MEMORANDUM

The object of this Bill is to amend the Value Added Tax Act, Cap. 349 to classify the supply of goods or services by an employer to an employee at no consideration as a taxable supply; to increase the threshold for the offset in case of overpaid tax from five million shillings to ten million shillings; to amend the First Schedule to include African Reinsurance Corporation (Africa Re), International Regulatory Board of the East African Power Pool and Islamic Cooperation for the Development of the Private Sector as listed institutions; to amend the Second Schedule on exempt supplies for purposes of reforming the VAT exemption regime and for related matters.

MATIA KASAIJA (MP),
Minister of Finance, Planning and Economic Development.

THE VALUE ADDED TAX (AMENDMENT) BILL, 2024

ARRANGEMENT OF CLAUSES

Clause

1. Commencement
2. Amendment of Value Added Tax Act
3. Amendment of section 7 of principal Act
4. Amendment of section 10 of principal Act
5. Amendment of section 18 of principal Act
6. Amendment of section 42 of principal Act
7. Insertion of 66A in principal Act
8. Amendment of First Schedule to principal Act
9. Amendment of Second Schedule to principal Act
10. Amendment of Third Schedule to principal Act

A Bill for an Act

ENTITLED

THE VALUE ADDED TAX (AMENDMENT) ACT, 2024

An Act to amend the Value Added Tax Act, Cap. 349 to classify the supply of goods or services by an employer to an employee at no consideration as a taxable supply; to increase the threshold of the offset in case of overpaid tax from five million shillings to ten million shillings; to amend the First Schedule to include African Reinsurance Corporation (Africa Re), International Regulatory Board of the East African Power Pool and Islamic Cooperation for the Development of the Private Sector as listed institutions; to amend the Second Schedule on exempt supplies for purposes of reforming the VAT exemption regime and for related matters.

BE IT ENACTED by Parliament as follows:

1. Commencement

This Act shall come into force on the 1st July, 2024.

2. Amendment of Value Added Tax Act

The Value Added Tax Act, Cap. 349, in this Act referred to as the principal Act, is amended in section 5, by inserting immediately after subsection (1) (a) the following—

“(ab) in the case of supply of goods through auction, is to be paid by the recipient of the proceeds of the auction;”

3. Amendment of section 7 of principal Act

Section 7 of the principal Act is amended in subsection (4A), by repealing paragraph (c).

4. Amendment of section 10 of principal Act

Section 10 of the principal Act is amended by substituting for subsection (4) the following—

“(4) The supply of goods through auction by an auctioneer in the course of auctioning goods is treated as a supply of goods by the recipient of the proceeds of the auction.”

5. Amendment of section 18 of principal Act

Section 18 of the principal Act is amended by inserting immediately after subsection (9) the following—

“(10) The supply of goods or services by an employer who is a taxable person to an employee, for no consideration shall be regarded as the supply of goods or services for consideration as part of the person’s business activities.”

6. Amendment of section 42 of principal Act

Section 42 of the principal Act is amended in subsection (2), by substituting for the word “five” the word “ten” wherever it appears.

7. Insertion of 66A in principal Act

The principal Act is amended by inserting immediately after section 66 the following—

“66A Failure to withhold tax

(1) A withholding agent who fails to withhold tax in accordance with this Act is personally liable to pay to the Commissioner the amount of tax which has not been withheld, but the withholding agent is entitled to recover this amount from the person.

(2) The provisions of this Act relating to the collection and recovery of tax apply to the liability imposed on the withholding agent by subsection (1) as if it were tax.”

8. Amendment of First Schedule to principal Act

The principal Act is amended in the First Schedule by inserting the following in its appropriate alphabetical order-

“African Reinsurance Corporation (Africa Re);
International Regulatory Board of the East African Power Pool;
Islamic Cooperation for the Development of the Private Sector;”

9. Amendment of Second Schedule to principal Act

The principal Act is amended in the Second Schedule—

- (a) in paragraph 1, by repealing subparagraph (b);
- (b) in paragraph 1, by inserting immediately after subparagraph (s) (xxxI) the following—

“(xxxii) hoes.”;

- (c) in paragraph 1, by inserting immediately after subparagraph (se), the following—
- “(sf) the supply of an electric vehicle locally manufactured or supply of frame and body of an electric vehicle locally fabricated;
 - (sg) the supply of electric vehicle charging equipment or supply of charging services of an electric vehicle;
 - (sh) the supply of pesticides;
 - (si) the supply of fertilizers, seeds and seedlings;
 - (sj) the supply of cooking stoves, that use fuel ethanol, assembled in Uganda, up to 30th June, 2028”
- (d) in paragraph 1 (x), by inserting immediately after the words “lifesaving gear” the word “safety”;
- (e) in paragraph 1(dda), by inserting immediately after the word “projects” the words “and does not include goods and services used for personal and domestic use;”
- (f) in paragraph 1, by inserting immediately after subparagraph (pp) (vii) the following—
- “(viii) manufactures an electric vehicle, electric battery or electric vehicle charging equipment or fabricates the frame and body of an electric vehicle;”
- (g) in paragraph 1, by repealing subparagraph (ggg) (i); and

- (h) in paragraph 2, by inserting immediately paragraph (c) the following—

“(ca) “pesticides” means insecticides, rodenticides, fungicides and herbicides, but does not include pesticides packaged for personal or domestic use;”

10. Amendment of Third Schedule to principal Act

The principal Act is amended in the Third Schedule—

- (a) in paragraph 1, by repealing subparagraph (e); and
- (b) in paragraph 4, by repealing subparagraph (b).

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Bill No. 55

Stamp Duty (Amendment) Bill

2024

THE STAMP DUTY (AMENDMENT) BILL, 2024

MEMORANDUM

The object of this Bill is to amend the Stamp Duty Act, 2014, to prescribe stamp duty rate for the nominal share capital or any increase of share, acquired by an investor in a private equity or venture capital fund, for the transfer of shares or other securities, to or by an investor in a private equity or venture capital fund, for an instrument executed by or on behalf of a company or Government in respect of manufacturer of an electric vehicles or electric charging equipment and for related matters.

MATIA KASAIJA (MP)

Minister of Finance, Planning & Economic Development

A Bill for an Act

ENTITLED

THE STAMP DUTY (AMENDMENT) ACT, 2024

An Act to amend the Stamp Duty Act, 2014, to prescribe stamp duty rate for the nominal share capital or any increase of share, acquired by an investor in a private equity or venture capital fund, for the transfer of shares or other securities, to or by an investor in a private equity or venture capital fund, for an instrument executed by or on behalf of a company or Government in respect of manufacturer of an electric vehicle or electric charging equipment and for related matters.

BE IT ENACTED by Parliament as follows:

1. Commencement

This Act shall come into force on 1st July, 2024.

2. Amendment of Stamp Duty Act, 2014

The Stamp Duty Act 2014, in this Act referred to as the principal Act is amended in Schedule 2—

- (a) in item 18 paragraph (a), by inserting immediately after the word “limited liability” the words “but does not include shares acquired by investors in a private equity or venture capital fund regulated under the Capital Markets Authority Act, Cap. 84.”;
- (b) in item 18, by inserting immediately after paragraph (d) the following—

“(e)	on nominal share capital or any increase of share, acquired by an investor in a private equity or venture capital fund regulated under the Capital Markets Authority Act, Cap. 84	Nil”
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- (c) in item 60A—
 - (i) by substituting for the words “capacity to employ a minimum of one hundred citizens” the words “employs at least seventy percent of its employees being citizens earning an aggregate wage of at least seventy percent of the total wage bill”, wherever they appear;
 - (ii) by substituting for the words “capacity to use at least fifty percent of the locally produced raw materials, subject to availability” the words “capacity to use at least seventy percent of the locally produced raw materials, subject to availability”, wherever they appear;
 - (iii) paragraph (d) by deleting the words “at the level of a national referral hospital”; and
 - (iv) by inserting immediately after paragraph (f) the following—

<p>“(g) manufacturer of an electric vehicle, electric battery or electric vehicle charging equipment or fabricator of the frame and body of an electric vehicle who meets the following requirements—</p> <ul style="list-style-type: none"> (i) a minimum investment capital of ten million United States Dollars in case of a foreigner, or three hundred thousand United States Dollars in case of a citizen or one hundred fifty thousand United States Dollars in case of a citizen who invests up country; (ii) capacity to use at least seventy percent of the locally produced raw materials, subject to availability; (iii) employs at least seventy percent of its employees being citizens earning an aggregate wage of at least seventy percent of the total wage bill;and (iv) provides for substitution of thirty percent of the value of imported products— <ul style="list-style-type: none"> (aa) debenture; whether a mortgage debenture or not, being of a marketable security - of the total value; (ab) further charge; any instrument imposing a further charge on a mortgaged property- of the total value; (ac) lease of land— of the total value; (ad) increase of share capital; (ae) transfer of land; 	<p>Nil”</p>
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- (d) in item 62 by inserting immediately after paragraph (e) the following—

“(f)	of shares or other securities, to or by an investor in a private equity or venture capital fund regulated under the Capital Markets Authority Act, Cap. 84	Nil”
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Bill No. 51

Excise Duty (Amendment) Bill

2024

THE EXCISE DUTY (AMENDMENT) BILL, 2024

MEMORANDUM

The object of this Bill is to amend the Excise Duty Act, 2014, to provide for the definition of “fruit juice”, “un-denatured spirits”, “vegetable juice” and “powder for reconstitution into beer”; to amend Schedule 2 to the Act, to revise the excise duty on certain excisable goods and services and for related matters.

MATIA KASAIJA (MP),
Minister of Finance, Planning & Economic Development.

A Bill for an Act

ENTITLED

THE EXCISE DUTY (AMENDMENT) ACT, 2024

The object of this Bill is to amend the Excise Duty Act, 2014, to provide for the definition of “fruit juice”, “un-denatured spirits”, “vegetable juice” and “powder for reconstitution into beer”; to amend Schedule 2 to the Act, to revise the excise duty on certain excisable goods and services and to provide for related matters.

BE IT ENACTED by Parliament as follows:

1. Commencement

This Act shall come into force on 1st July, 2024.

2. Amendment of the Excise Duty Act, 2014

The Excise Duty Act 2014, in this Act referred to as the principal Act is amended in section 2—

- (a) by inserting immediately after the definition of “export” the following—

““fruit juice” means unfermented liquid extracted from the edible part of a fresh fruit whether the extracted liquid is diluted or not;”

- (b) by inserting immediately after the definition of “plant” the following—

“powder for reconstitution into beer” means a powder, crystal or any other dry substance which after being mixed with water or any other non-alcoholic beverage ferments to or otherwise becomes an alcoholic beverage;”

- (c) by inserting immediately after the definition of “tribunal” the following—

““un-denatured spirits” means spirits that are not mixed with any substance to render the spirit unfit for human consumption or capable of being rendered unfit for human consumption and includes neutral spirits or alcoholic beverages made from neutral spirits that are fit for human consumption;”

- (d) by inserting immediately after the definition of “value added tax” the following—

““vegetable juice” means unfermented liquid extracted from the edible part of a vegetable whether the extracted liquid is diluted or not;”

3. Amendment of Schedule 2 to principal Act

Schedule 2 to the principal Act is amended—

- (a) by substituting for item 2 (d) and (e) the following—

“(d)	Opaque beer	12% or shs 150 per litre whichever is higher.
(e)	any other alcoholic beverage locally produced	12% or shs 150 per litre whichever is higher.”

(b) by inserting immediately after item 2 (e) the following—

“(f)	Powder for reconstitution into beer	shs 2500 per kg”
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(c) by substituting for item 3 the following—

(a)	Un-denatured spirits of alcoholic strength by volume of 80% or more made from locally produced raw materials;	60% or shs. 5000 per litre whichever is higher;
(b)	Un-denatured spirits of alcoholic strength by volume of 80% or more made from imported raw materials;	100% or shs. 5000 per litre, whichever is higher;
(c)	any other un-denatured spirits— (i) that is locally produced of alcoholic strength by volume of less than 80%; or	80% or shs. 1700 per litre whichever is higher;
	(ii) that is imported of alcoholic strength by volume of less than 80%.	100% or shs. 5000 per litre whichever is higher;”

(d) by substituting for item 4(b) the following—

“(b)	Other wines	100% or shs 10,000 per litre whichever is higher”
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(e) by substituting for item 5 (b) and (d) the following—

“(b)	fruit juice and vegetable juice, except juice made from at least 30% pulp or at least 30% juice by weight or volume of the total composition of the drink from fruits and vegetables locally grown.	12% or shs. 250 per litre, whichever is higher.”
(d)	any other non-alcoholic beverage locally produced other than the beverage referred to in paragraph (a) made out of fermented sugary tea solution with a combination of yeast and bacteria.	12% or shs 150 per litre whichever is higher”

(f) by substituting for item 6 the following—

“6	Mineral water, bottled water and other water purposely for drinking	10% or shs 75 per litre whichever is higher”
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(g) by substituting for item 7 the following—

“7	Cement, adhesives, grout, white cement or lime	shs 500 per 50 kg”
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- (h) by substituting for paragraph 8 (a) (b) and (e) the following—

“(a)	Motor spirit (gasoline)	shs 1550 per litre
(b)	Gas oil (automotive, light, amber for high speed engine)	shs 1230 per litre
(e)	Illuminating kerosene	shs 500 per litre”

- (i) in item 13 (g), by inserting the words “Burundi, United Republic of Tanzania” immediately after the word “Kenya”;

- (j) by inserting immediately after item 13 the following—

“13A	Payment services	
	Payment service of withdrawals of cash provided through a payment system but does not include withdrawal services provided by a financial institution or a micro finance deposit taking institution	0.5% of the value of the transaction.”

- (k) in item 23, by deleting the words “at the level of a national referral hospital”;

- (l) in item 25, by substituting for paragraph (b) the following—

“(b)	any other fermented beverages including cider, perry, mead or near beer produced from locally grown or produced raw materials;	30% or shs 550 per litre whichever is higher.
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by inserting immediately after item 26 following—

“27	construction materials of a manufacturer of an electric vehicle, electric battery or electric vehicle charging equipment or fabricator of the frame and body of an electric vehicle whose investment capital is, at least thirty five million United States Dollars in case of a foreigner or five million United States Dollars in the case of a citizen;	Nil.”
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Bill No. 54

Tax Procedures Code (Amendment) Bill

2024

THE TAX PROCEDURES CODE (AMENDMENT) BILL, 2024

MEMORANDUM

The object of this Bill is to amend the Tax Procedures Code Act, 2014, to require a taxpayer who intends to claim a deduction of or credit for the goods destroyed to inform the Commissioner before the destruction of the goods.

MATIA KASAIJA, (MP),
Minister of Finance, Planning and Economic Development.

A Bill for an Act

ENTITLED

**THE TAX PROCEDURES CODE (AMENDMENT)
ACT, 2024**

An Act to amend the Tax Procedures Code Act, 2014, to require a taxpayer who intends to claim a deduction of or credit for the goods destroyed to inform the Commissioner before the destruction of the goods.

BE IT ENACTED by Parliament as follows:

1. Commencement

This Act shall come into force on 1st July, 2024.

2. Amendment of Tax Procedures Code Act, 2014

The Tax Procedures Code Act, 2014 in this Act referred to as the principal Act, is amended by inserting immediately after section 18 the following—

“18A. Destruction of goods

(1) A taxpayer who intends to claim a deduction of or credit for the goods destroyed as a result of -

- (a) damage of trading stock;
- (b) expiry of trading stock;
- (c) damage of manufactured stock;
- (d) expiry of manufactured stock; or
- (e) obsolete stock,

shall inform the Commissioner in writing, using the form prescribed under section 70 of this Act, before destroying the goods.

(2) A tax payer who fails to inform the Commissioner in accordance with subsection (1), shall not claim for deduction of or credit for the destroyed goods.”