



THE REPUBLIC OF UGANDA

*Read on table by Hon. Matia Kasaija
on 31/3/2020
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CERTIFICATE OF FINANCIAL IMPLICATIONS

(Made under Section 76 of the Public Finance Management Act, 2015)

THIS IS TO CERTIFY that the Bill entitled, the INCOME TAX (AMENDMENT) Bill 2020, has been examined as required under Section 76 of the Public Finance Management Act, 2015. I wish to report as follows:

a) That the Bill has the following objectives:

1. To generate revenue
2. To improve the contribution of non-individual rental taxpayers with rental businesses who are allowed unlimited expenses under the current policy;
3. To expand the tax base by tapping into the informal trade in property transactions;
4. To define and other terms used in the Act;
5. To increase the revenue productivity and progressivity of the income tax system by reducing the incentive for taxpayers to perpetually declaring tax losses or low tax profits;
6. To improve tax compliance of small and medium enterprises;
7. To provide for Government's commitment to exempt income of Islamic Development Bank from tax;
8. To support implementation of monetary policy;
9. To ease administration of the tax incentive regime
10. To widen the tax base

b) That it is expected to achieve the following outputs:

1. To raise revenue
2. To improve compliance and ease administration.

c) That the expenditure plan by major components for the next two years.

Since this is an amendment to the existing tax provisions, there is no expenditure plan specifically different from the overall allocation of Shs 438.26 billion for FY 2020/21 and Shs 484.53 billion for 2021/22 Financial Year to Uganda Revenue Authority.

d) That the funding and budgetary implications are the following:

Funding is going to be through overall Government budgetary allocations to Uganda Revenue Authority.

e) Expected savings and/or revenue to Government:

The revenue gain expected from the income tax measures upon improved compliance and tax administration is estimated at **UGX 293.15bn** annually.

Submitted this **31st March, 2020** under my hand.

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Matia Kasaija (MP)

MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT