



## **CERTIFICATE OF FINANCIAL IMPLICATION**

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

**THIS IS TO CERTIFY** that the Bill entitled, the Income Tax (Amendment) Bill 2025, has been examined as required under Section 76 of the Public Finance Management Act, 2015 (as amended). I wish to report as follows: -

**1) That the Bill has the following objective:**

Specific objective of the bill is to amend section 21 of the Income Tax Act, Cap. 338 to exempt the income of the Bujagali Hydro Power Project from tax.

**2) That it is expected to achieve the following outputs:**

To avert the estimated increase of the Bujagali Energy Limited generation tariff from US cents 8.31 per unit to US cents 9.60 per unit and end user tariff from a weighted average of Shs 459.8 per unit to Shs 481.7 per unit.

**3) Impact on the economy**

Exempting the income of the Bujagali Hydro Power Project will enable Government of Uganda to lower the end user electricity tariff. The impact of lower electricity tariff to the Extra-Large Industrial consumer category will improve competitiveness of locally manufactured products, and foster economic development.

**4) 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 619.99 Billion for FY 2024/25 and Shs 534.1 billion for FY 2025/26 to Uganda Revenue Authority.

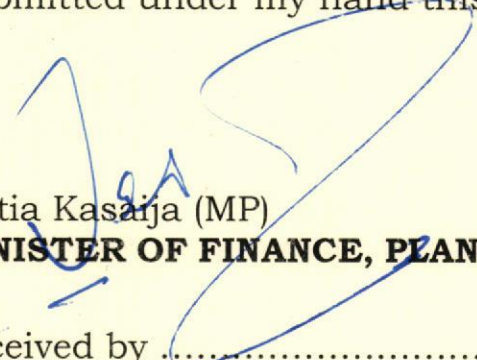
**5) That the funding and budgetary implications are the following:**

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

**6) Expected savings and/or revenue to Government:**

Revenue loss expected from the Bill is estimated to be **Shs 115.47 billion** annually.

Submitted under my hand this **28<sup>th</sup> January, 2025**



Matia Kasaija (MP)

**MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT.**

Received by .....

Date.....