



THE REPUBLIC OF UGANDA

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 2021, 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 provide for revision of the definition of beneficial owner;
2. To revise the tax rate applicable to individuals and companies for purposes of rental income;
3. To provide for a ceiling on deductible expenses on rental income;
4. To provide for incentives to manufacturers;
5. To define the date of submitting the application for tax refund;
6. To provide for the due date of the payment of income tax;
7. To discontinue the concurrent deduction of initial allowance and deductions on depreciation of an asset.

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

1. To remove distortions in the rental income tax regime by having a harmonised regime, introducing a cap on rental income expenses
2. To cater for changes in the value of an asset due to macroeconomic dynamics, specifically removing the effect of inflation from the gain in asset values
3. To improve compliance and ease tax 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 436.66 Billion for FY 2021/22 and Shs 536.66 billion for 2022/23 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:

Revenue gain expected from the Bill is estimated to be UGX 85.2 billion.

Submitted this **24th March, 2021** under my hand.


Matia Kasaija (MP)

MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT.