



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 VALUE ADDED 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 the timelines within which to apply for input tax credit;
2. To provide for the refund of tax for use of electronic receipt or invoice;
3. To impose strict liability for violation under penal tax and
4. To provide tax incentives to investors by exempting certain supplies from Value Added Tax

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

1. To provide further incentives to the manufacturers; and
2. 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) Estimates of revenue for the next two years:

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

(e) Impact of the bill on the economy:

Clarity of the law will reduce compliance costs both to taxpayers and tax administrators. The savings in cost and time spent by taxpayers will be re-invested in generating more revenue. For tax administrators, the resources freed will be used to undertake other compliance activities to generate more revenue.

(f) Expected savings and/or revenue to Government:

Revenue gain expected from the Bill is estimated to be UGX 10 billion.

Submitted this 24th day of March, 2021 under my hand.


Matia Kasaija (MP)

MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT