
BILLS**SUPPLEMENT No. 2****24th March, 2021****BILLS SUPPLEMENT***to The Uganda Gazette No. 26, Volume CXIV, dated 24th March, 2021*

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Bill No. 8*Tax Procedures Code (Amendment) Bill***2021****THE TAX PROCEDURES CODE (AMENDMENT) BILL, 2021****MEMORANDUM**

The object of this Bill is to amend the Tax Procedures Code Act, 2014, Act, 14 of 2014 to define “tax decision”; to impose an obligation on a local authority, Government institution or regulatory body to issue a licence to only a person who has a tax identification number; to provide for penal tax relating to tax stamps; to provide for alternative dispute resolution mechanism for tax objections; to prescribe the powers of the commissioner during investigations; to revise offences and penalties in the Act.

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

THE TAX PROCEDURES CODE (AMENDMENT) BILL, 2021

ARRANGEMENT OF CLAUSES

Clause

1. Commencement
2. Amendment of section 3 of Tax Procedures Code Act 2014
3. Amendment of section 5 of principal Act
4. Amendment of section 9 of principal Act
5. Amendment of section 14 of principal Act
6. Amendment of section 19B of principal Act
7. Amendment of section 23 of principal Act
8. Amendment of section 24 of principal Act
9. Amendment of section 38 of principal Act
10. Amendment of principal Act
11. Amendment of section 54 of principal Act
12. Amendment of section 55 of principal Act
13. Amendment of section 56 of principal Act
14. Amendment of section 57 of principal Act
15. Amendment of section 58 of principal Act
16. Amendment of section 59 of principal Act
17. Amendment of section 60 of principal Act
18. Amendment of section 61 of principal Act
19. Amendment of section 62 of principal Act
20. Insertion of section 62A of principal Act
21. Amendment of section 63 of principal Act

A Bill for an Act

ENTITLED

THE TAX PROCEDURES CODE (AMENDMENT) ACT, 2021

An Act to amend the Tax Procedures Code Act, 2014, Act 14 of 2014 to define “tax decision”; to impose an obligation on a local authority, Government institution or regulatory body to issue a licence to only a person who has a tax identification number; to provide for penal tax relating to tax stamps; to provide for alternative dispute resolution mechanism for tax objections; to prescribe the powers of the commissioner during investigations; to revise offences and penalties in the Act.

BE IT ENACTED by Parliament as follows:

1. Commencement

This Act shall come into force on 1st July, 2021.

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 in section 3 by substituting for the definition of “tax decision” the following—

““tax decision” means—

- (a) a tax assessment; or
- (b) a decision on any matter left to the discretion, judgment, direction, opinion, approval, satisfaction or determination of the Commissioner other than—
 - (i) a decision made in relation to a tax assessment;
 - (ii) a decision to refuse, issue or revoke a practice note or an omission to issue or revoke a practice note;
 - (iii) a decision or omission that affects a tax officer or employee or agent of the Authority;
 - (iv) the compoundment of an offence under any tax law; or
 - (v) a decision to refuse, issue or revoke a private ruling or an omission to issue or revoke a private ruling;”.

3. Amendment of section 5 of principal Act

Section 5 of the principal Act is amended by inserting immediately after subsection (8) the following—

“(9) A local authority, Government institution or regulatory body shall not issue a licence or any form of authorisation necessary for purposes of conducting any business in Uganda to any person who does not have a tax identification number.”

4. Amendment of section 9 of the principal Act

Section 9 of the principal Act is amended by—

- (a) inserting immediately after subsection (5) the following—

“(5a) A person who is not registered as a tax agent under this section shall not act as a tax agent.”; and

- (b) substituting subsection (6) the following—

“(6) This section does not apply to an advocate acting as an advocate to a tax payer under section 8 (3) (b) and (c).”

5. Amendment of section 14 of principal Act

Section 14 of the principal Act is amended—

- (a) in subsection (2), by substituting for the word “agents”, the word “tax representatives”;
- (b) in subsection (5), by substituting for the word “agent”, the word “tax representative”.

6. Amendment of section 19B of principal Act

Section 19B is amended by inserting immediately after subsection 4 the following—

“(5) Where the offender under subsection (4) attempts to acquire or acquires or sells a tax stamp without goods, the offender shall be liable, on conviction, to a fine not exceeding five hundred currency points or to imprisonment for a term not exceeding five years or both.

(6) A person, who acquires tax stamps with the authority of the Commissioner and affixes the tax stamps on goods other than the goods approved by the Commissioner, commits an offence is liable, on conviction, to double the tax due on the goods or five hundred currency points, whichever is higher.

(7) For purposes of this section “tax” means tax imposed under the Excise Duty Act, 2014.”

7. Amendment of section 23 of principal Act

Section 23 of the principal Act is amended—

- (a) in subsection (3) by substituting for the words “twelve months” the words “three years”; and
- (b) in subsection (6) (d), by repealing the word “due”.

8. Amendment of section 24 of principal Act

Section 24 of the principal Act is amended—

(1) by inserting immediately after subsection (10) the following—

“(11) A tax payer who is dissatisfied with a decision of the Commissioner may apply to the Commissioner to resolve the dispute using alternative dispute resolution procedure, as may be prescribed.

(12) For the purposes of subsection (11), the Minister may make regulations to provide for alternative dispute resolution for tax purposes.”

9. Amendment of section 38 of principal Act

Section 38 of the principal Act is amended by repealing subsection (2);

10. Amendment of principal Act

The principal Act is amended by inserting immediately after section 41 of the Act the following—

“41A Powers of the Commissioner during investigation

(1) The Commissioner shall in the process of investigation have the following powers—

- (a) the power to effect an arrest with an arrest warrant;
- (b) the power to issue an order for interim closure of premises;
- (c) the power to record charge and caution statement;
or
- (d) the power to execute a bond with or without security.”

(2) Subsection (1) (b) shall only apply to the premises of a taxpayer who fails to comply with sections 19A and 73A of the Act.

11. Amendment of section 54 of principal Act

Section 54 of the principal Act is amended—

- (a) in subsection (1), by substituting for the words “twenty-five” the word “fifty”; and
- (b) in subsection (2), by substituting for the word “fifty” the words “one hundred”.

12. Amendment of section 55 of principal Act

Section 55 of the principal Act is amended in subsection (1), by substituting for the words “twenty-five” the words “one hundred”.

13. Amendment of section 56 of principal Act

Section 56 of the principal Act is amended by substituting for the words “forty- eight currency points or imprisonment not exceeding two years or both” the words “one hundred currency points or imprisonment for a term not exceeding six years or both”.

14. Amendment of section 57 of principal Act

Section 57 of the principal Act is amended in subsection (1), by substituting for the words “twenty-four currency points or imprisonment not exceeding one year or both” the words “one hundred and fifty currency points or imprisonment for a term not exceeding six years or

both”.

15. Amendment of section 58 of principal Act

Section 58 of the principal Act is amended by substituting for the words “forty- eight currency points or imprisonment not exceeding two years or both” the words “two hundred currency points or imprisonment for a term not exceeding ten years or both”.

16. Amendment of section 59 of principal Act

Section 59 of the principal Act is amended by substituting for the words “forty-eight currency points or imprisonment not exceeding two years or both” the words “two hundred and fifty currency points or imprisonment for a term not exceeding ten years or both”.

17. Amendment of section 60 of principal Act

Section 60 of the principal Act is amended by—

- (a) numbering the provision as subsection (1);
- (b) inserting immediately after subsection (1) the following—

“(2) Where the offender under subsection (1) is a tax agent, the tax agent shall be liable to a fine equal to double the tax evaded or not exceeding two hundred and fifty currency points whichever is higher, or to imprisonment for a term not exceeding five years, or both.”

18. Amendment of section 61 of principal Act

Section 61 of the principal Act is amended by substituting for the words “forty-eight currency points or imprisonment not exceeding two years or both” the words “two hundred and fifty currency points or imprisonment not exceeding ten years or both”.

19. Amendment of section 62 of principal Act

Section 62 of the principal Act is amended—

- (a) in subparagraph (i), by substituting for the words “fifty currency points or imprisonment not exceeding two years or both” the words “one hundred and fifty currency points

- or imprisonment not exceeding six years or both”; and
- (b) in subparagraph (ii), by substituting for the words “twenty five currency points or imprisonment not exceeding one years or both” the words “fifty currency points or imprisonment for a term not exceeding two years or both”;

20. Insertion of section 62A to the principal Act

The principal Act is amended by inserting immediately after section 62 the following—

62A. Offence relating to acting as a tax agent without registration

A person who is not registered as a tax agent who acts as a tax agent commits an offence and is liable on conviction to fine not exceeding twenty-four currency points or to imprisonment not exceeding one year or both.”

21. Amendment of section 63 of principal Act

Section 63 of the principal Act is amended—

- (a) in subsection (1), by substituting for the words “forty eight currency points or imprisonment not exceeding two years or both” the words “one hundred and fifty currency points or imprisonment for a term not exceeding six years or both”;
- (b) in subsection (2), by substituting for the words “forty eight currency points or imprisonment not exceeding two years or both” the words “one hundred and fifty currency points or imprisonment for a term not exceeding six years or both”; and
- (c) in subsection (6), by substituting for the words “fifty currency points or imprisonment not exceeding two years or both” the words “one hundred currency points or