

BILLS SUPPLEMENT

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Bill No. 7

Excise Duty (Amendment) Bill

2016

THE EXCISE DUTY (AMENDMENT) BILL, 2016

MEMORANDUM

The object of this Bill is to amend the Excise Duty Act, 2014, Act No.11 of 2014 to provide for a refund of duty on excisable goods which are converted into healthcare or medical products; to amend Schedule 2 of the Excise Duty Act 2014 and to enhance excise duty in respect of certain excisable goods including soft cap cigarettes, hinge lid cigarettes, cigars, cheroots and cigarillos containing tobacco, smoking tobacco whether or not containing tobacco substitutes in any proportion, homogenised or reconstituted tobacco, ready to drink spirits, cement, motor spirit (gasoline), gas oil (automotive, light, amber for high speed engine), cane or beet sugar and chemically pure sucrose in solid form, motor vehicle lubricants, sugar confectioneries (chewing gum, sweets and chocolates), and to remove excise duty on specialised hospital furniture and international incoming calls.

MATIA KASAIJA, (MP)

Minister of Finance, Planning and Economic Development.

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THE EXCISE DUTY (AMENDMENT) BILL, 2016

ARRANGEMENT OF CLAUSES

Clause

1. Commencement
2. Amendment of the Excise Duty Act, 2014, Act No.11 of 2014
3. Amendment of Schedule 2 of the principal Act

A Bill for an Act

ENTITLED

THE EXCISE DUTY (AMENDMENT) ACT, 2016

An Act to amend the Excise Duty Act, 2014 to provide for a refund of duty on excisable goods which are converted into healthcare or medical products; to revise the rates of certain duties specified in the Schedule to the Act and to provide for related matters.

BE IT ENACTED by Parliament as follows:

1. Commencement.

This Act shall come into force on 1st July, 2016.

2. Amendment of the Excise Duty Act, 2014, Act No.11 of 2014.

The Excise Duty Act, 2014, in this Act referred to as the principal Act, is amended in section 10 by inserting immediately after subsection (2) the following—

“(3) Where excisable goods on which excise duty has been paid are converted into approved healthcare or medical products, a refund of the excise duty shall be provided to the manufacturer of the approved health care or medical products.

(4) In this section, “approved healthcare or medical product” means a product that has been approved by the Minister responsible for finance in consultation with the Minister responsible for health, in accordance with regulations made under section 16.”

3. Amendment of Schedule 2 of the principal Act.

Schedule 2 of the principal Act is amended in Part I—

- (a) by substituting for item 1(a) the following—

“(a) Soft cap	UShs.50,000 per 1,000 sticks”
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- (b) by substituting for item 1(b) the following—

“(b) Hinge lid US\$80,000 per 1,000 sticks”

- (c) by substituting for item 1(c) the following—

“(c) Cigars, cheroots and cigarillos containing tobacco 200%”

- (d) by substituting for item 1(d) the following—

“(d) Smoking tobacco whether or not containing tobacco substitutes in any proportion 200%”

- (e) by substituting for item 1(e) the following—

“(e) Homogenised or reconstituted tobacco 200%”

- (f) by substituting for item 1(f) the following—

“(f) Other 200%”

- (g) by inserting immediately after item 3 (c), a new item as follows--

“(d) Ready to drink spirits 80%”

- (h) by substituting for item 7 the following—

"7 Cement	Ushs1,000 per 50 kgs"
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- (i) by substituting for item 8(a) the following—

“(a) Motor spirit (gasoline) Ushs.1,100 per litre”

- (j) by substituting for item 8(b) the following—

“(b) Gas oil (automotive, light, amber for
high speed engine) Ushs. 780/- per litre”

- (k) by substituting for item 9 the following—

“9 Cane or beet sugar and chemically pure
sucrose in solid form Ushs. 100/- per kg

- (l) by repealing item 13(b);

- (m) by substituting for item 15 the following—

“15 Motor vehicle lubricants 10%”

- (n) by substituting for item 16 the following—

“16 Sugar confectioneries (chewing gum,
sweets and chocolates) 20%”

- (o) by substituting for item 17 the following—

“17 Furniture

- | | |
|------------------------------------|------|
| (a) specialized hospital furniture | Nil |
| (b) other furniture | 10%” |