

**BILLS SUPPLEMENT**

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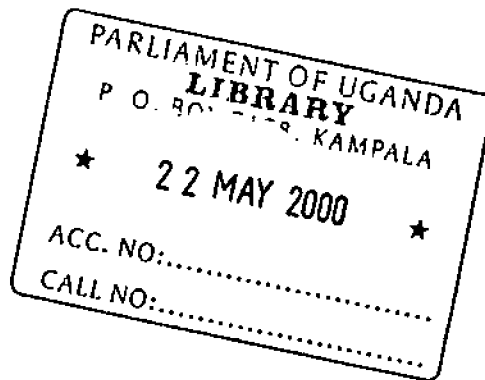
**Bill No. 8**                      *Finance Bill*                      **1992**

**THE FINANCE BILL, 1992.**

**MEMORANDUM**

The object of this Bill is to amend the Income Tax Decree, 1974, the Customs Tariff Act, 1970, the Sales Tax Act, 1970 and the Excise Tariff Act, 1964, in order to ensure constant and adequate flow of revenue.

**JOASH MAYANJA-NKANGI,**  
*Minister of Finance and Economic Planning.*



A BILL for a Statute

ENTITLED

**THE FINANCE STATUTE, 1992.**

**A Statute to provide for the alteration of certain taxes and duties and to amend certain written laws relating to those taxes and duties and for other matters connected therewith.**

BE IT ENACTED by the President and the National Resistance Council as follows:

**PART I—PRELIMINARY.**

1. This Statute may be cited as the Finance Statute, 1992 and shall be deemed to have come into force on the 1st day of July, 1992.

Short Title and Commencement.

**PART II—AMENDMENT TO INCOME TAX DECREE, 1974.**

2. Part II of this Statute shall be read and construed as one with the Income Tax Decree, 1974, in this Part referred to as the Decree.

Construction.

Amend-  
ment to "  
Section 14.

3. The Decree is amended in section 14—

(a) by adding new paragraphs (f), (g), and (h) to subsection (3) as follows—

(f) any expenditure incurred in such year of income by an employer on the training of his employees in a field relevant to the employer's business to the extent that the Commissioner-General considers to be just and reasonable;

(g) medical expenses on employees where an employer under a scheme with specific doctors or medical establishments arranges to have the employees treated and settles the bills directly with the doctors or medical establishments or where the employer arranges to treat the employees by direct provision of medical services to the extent that the Commissioner-General considers to be just and reasonable;

(h) donations to qualifying Institutions designated by the Commissioner-General to the extent that the Commissioner-General considers to be just and reasonable.

(b) by adding a new sub-section (8) as follows—

(8) The provisions of this section shall not apply to income chargeable to tax under sub-paragraph (iii) of paragraph (a) of subsection (2) of section 3.

4. The Decree is amended in section 40 thereof by adding a proviso to subsection (1) as follows—

Amend-  
ment to  
Section 40.

Provided that tax upon the income of any person chargeable to tax under sub-paragraph (iii) of paragraph (a) of subsection (2) of section 3 shall be charged separately from any other income at the rate of twenty per cent of the gross royalty, rent, premium or like consideration in excess of shillings six hundred thousand received for the use or occupation of property.

5. The Decree is amended in section 41 subsection (4) (b) by inserting after sub-paragraph (iii) the following—

“(iv) agricultural products for processing and trading specified under Seventh Schedule to this Statute.

Amendment to Section 41.

6. The Schedules to the Decree are amended in the manner specified in the First Schedule to this Statute.

Amendment of the Schedules.

PART III—MISCELLANEOUS AMENDMENTS.

7. The Schedules to the Customs Tariff act, 1970, are amended in the manner specified in the Second Schedule to this Statute.

Amendment of Schedules to the Customs Tariff Act.

8. The Schedules to the Sales Tax Act, 1970, are amended in the manner specified in the Third Schedule to this Statute.

Amendment of Schedules to Sales Tax Act.

9. The Schedules to the Excise Tariff Act are amended in the manner specified in the Fourth Schedule to this Statute.

Amendment of Schedules to the Excise Tariff Act.

10. The Coffee (Export Duty) Act, 1964, is suspended until such a time when the Minister may, by statutory instrument revive its operation.

Suspension of Coffee (Export Duty) Act, Cap. 181.

11. The Traffic (Restriction on the movement of Heavy Vehicles) Decree, 1973 is repealed.

Repeal of Decree 11 of 1973.

12. (1) The Finance Decree, 1972, is amended in Schedule I—

Amendment to Finance Decree 1972.

(a) by deleting the word “drinks” occurring at the end of paragraph 5;

(b) by adding after paragraph 6, the following—

“7. Services provided by National Water and Sewerage Corporation and any other Water Board.”

(2) The Finance Decree, 1972 is further amended—

(a) in item 4—E of Schedule 1 by adding after the word vehicle the expression “other than the transportation of goods;

(b) by substituting for all the rates in Schedule 1 the rate of 15%.

Amend-  
ment to  
Six Sched-  
ule.

13. The Sixth Schedule to the Finance Statute, 1989, dealing with fees and licences payable under the Traffic and Road Safety Act, 1970, is amended to the extent specified under the Sixth Schedule to this Statute.

Amend-  
ment to  
the Finance  
Statute,  
1989.

14. The Finance Statute, 1989 is amended—

(a) in section 3 by substituting the words “two per-  
centum” for the words “one per centum” in the  
second line;

(b) in the Seventh Schedule by substituting the First  
and Second appendices as is provided under  
the Fifth Schedule to this Statute.

Amend-  
ment to  
the Finance  
Statute,  
1991.

15. (1) The Finance Statute, 1991, is amended in the  
First Schedule by substituting for the rates of beer and  
whisky the rate of 50 per cent.

(2) The surcharge in respect of the goods referred  
to in the First Schedule of that Statute shall be in addition  
to the normal duty chargeable and shall be levied on the  
CIF value.

Re-export  
Tax.

16. There shall be charged a re-export tax of two per  
cent CIF value on each item re-exported from Uganda.

Govern-  
ment to  
pay Tax.

17. Section 2 of Schedule 3 of the Customs Tariff Act,  
1970, and of the Sales Tax Act, 1970, are deleted and for  
the avoidance of doubt customs duty and sales tax shall be  
levied on goods for use by Government.

Amend-  
ment to  
Stamps  
Act.

18. The Schedule to the Stamps Act is amended by sub-  
stituting 3 per cent for 1 per cent wherever it occurs.

Stock  
Exchange.

19. (1) The Schedule to the Stamps Act is amended in  
item 17 by adding a paragraph after paragraph (ii)—

“(iii) on becoming public through the operation of the stock exchange ..... nil”.

(2) A person earning dividends from a company which came into existence through stock exchange shall be exempted from the payment of income tax.

20. Import duty payable on industrial raw materials is abolished subject to conditions that may be prescribed by regulation by the Minister.

Abolition of duty on Industrial raw material.

21. The tariff description and classification of goods applied under the Customs Tariff in accordance with the Customs Co-operation Council Nomenclature shall be applicable to the description and classification of goods under the Schedules to the Sales Tax Act, 1970.

CCCN applicable to Sales Tax Act.

22. A person owning a satellite receiver equipment shall pay a fee of three hundred thousand shillings to the Ministry of Information before a licence is issued to the owner.

## SCHEDULES.

s. 4

### FIRST SCHEDULE

#### AMENDMENT TO THE SCHEDULE TO THE INCOME TAX DECREE, 1974

1. Schedule 1 of the Income Tax Decree, 1974 is hereby amended by adding paragraph 46 as follows—

46. Dividends from shares quoted on any approved stock exchange within Uganda.

2. Schedule 2 of the Income Tax Decree, 1974 is hereby amended—

(a) in paragraph 7 thereof by substituting, for the words “and the appropriate percentage shall be 37½ per cent for class (i), 25 per cent for class (ii), and 12½ per cent for class (iii)” occurring at the end of sub-paragraph (2) thereof the words “and the appropriate percentage shall be 50 per cent for class (1), 40 per cent for class (ii) and 20 per cent for class (iii);

(b) in paragraph 15 thereof by substituting for the figure Shs. 3,000,000 the figure of Shs. 6,000,000.

3. Schedule 3 of the Decree is amended by substituting for items 1 and 2 of Head B the following—

<i>Total chargeable Income</i>	<i>Tax Rate</i>
(a) Resident individual rates of tax shall be:	
1. Where total income does not exceed Shs. 600,000	Nil.
2. Where total income exceeds Shs. 600,000 but does not exceed Shs. 960,000	10 per cent of the amount by which total income exceeds Shs. 600,000.
<i>Total chargeable Income</i>	<i>Tax Rate</i>
3. Where total income exceeds Shs. 960,000 but does not exceed Shs. 1,800,000	36,000 plus 20 per cent of the amount by which total income exceeds Shs. 960,000.
4. Where total income exceeds Shs. 1,800,000 but does not exceed Shs. 3,600,000	360,000 plus 30 per cent of the amount by which total income exceeds Shs. 1,800,000.
5. Where total income exceeds Shs. 3,600,000	1,080,000 plus 40 per cent of the amount by which total income exceeds Shs. 3,600,000.
(b) Non-resident individual rates of tax shall be:	
1. Where total income does not exceed Shs. 960,000	10 per cent.
2. Where total income exceeds 960,000 but does not exceed Shs. 1,800,000	96,000 plus 20 per cent of the amount by which total income exceeds Shs. 960,000.
3. Where total income exceeds Shs. 1,800,000 but does not exceed Shs. 3,600,000	360,000 plus 30 per cent of the amount by which total income exceeds Shs. 1,800,000.

4. Where total income exceeds  
Shs. 3,600,000 .. .. 1,080,000 plus 40 per cent of  
the amount by which total  
income exceeds Shs 3,600,000.
- 3 (c) The Rental Income rate shall be twenty per cent of the gross  
rental income per annum in excess of Shs. 600,000.
4. The Corporation rate shall be thirty-five per cent in each  
Shilling except in the case of the chargeable income of a company  
which derives income from the mining of specific minerals  
when the rate shall be twenty-five per cent in respect of each  
Shilling of the chargeable income.

## SECOND SCHEDULE.

s. 5.

AMENDMENTS TO THE SCHEDULE TO THE CUSTOMS  
TARIFF ACT, 1970.

<i>Tariff No.</i>		<i>Rate</i>
10.06.10	For the existing customs duty, substitute	" 50% "
10.06.20	For the existing customs duty, substitute	" 50% "
10.06.30	For the existing customs duty, substitute	" 50% "
10.06.40	For the existing customs duty, substitute	" 50% "
17.01.90	For the existing customs duty, substitute	" 40% "
25.23.20	For the existing customs duty, substitute	" 20% "
27.10.12	For the existing customs duty, substitute	" 175% "
27.10.42	For the existing customs duty, substitute	" 90% "
27.10.62	For the existing customs duty, substitute	" 115% "
39.07.12	For the existing customs duty, substitute	" 10% "
49.01.00	For the existing customs duty, substitute	" 0.00% "
49.02.10	For the existing customs duty, substitute	" 0.00% "
49.02.90	For the existing customs duty, substitute	" 0.00% "
49.03.00	For the existing customs duty, substitute	" 0.00% "
49.04.00	For the existing customs duty, substitute	" 0.00% "
49.05.00	For the existing customs duty, substitute	" 0.00% "
49.06.00	For the existing customs duty, substitute	" 0.00% "
49.07.20	For the existing customs duty, substitute	" 0.00% "
55.09.11-29	For the existing customs duty, substitute	" 20% "
56.07.11-89	For the existing customs duty, substitute	" 20% "
61.01.11	For the existing customs duty, substitute	" 30% "
61.11.00		
62.01.10	For the existing customs duty, substitute	" 30% "
62.02.69		



<i>Tariff No.</i>		<i>Rate</i>
62.04.10	For the existing customs duty, substitute	“ 30% ”
62.04.90	For the existing customs duty, substitute	“ 30% ”
62.05.10	For the existing customs duty, substitute	“ 30% ”
62.05.20	For the existing customs duty, substitute	“ 30% ”
62.05.90	For the existing customs duty, substitute	“ 30% ”
63.01.00	For the existing customs duty, substitute	“ 30% ”
63.02.00	For the existing customs duty, substitute	“ 30% ”
64.02.90	For the existing customs duty, substitute	“ 50% ”
70.10.20	For the existing customs duty, substitute	“ 10% ”
82.01.10	For the existing customs duty, substitute	“ 30% ”
82.01.90	For the existing customs duty, substitute	“ 30% ”
28.09.10	For the existing customs duty, substitute	“ 30% ”
84.51.10-30	For the existing customs duty, substitute	“ 20% ”
85.15.22	For the existing customs duty, substitute	“ 70% ”
85.15.32	For the existing customs duty, substitute	“ 70% ”
85.15.80	For the existing customs duty, substitute	“ 50% ”
85.15.91	For the existing customs duty, substitute	“ 40% ”
85.15.99	For the existing customs duty, substitute	“ 40% ”

**THIRD SCHEDULE**

s. 6.

**AMENDMENT TO SCHEDULE 1 TO THE SALES TAX ACT,  
1970**

<i>Tariff No.</i>		<i>Rate</i>
17.01.90	For the existing sales tax, substitute	“ 10% ”
22.02.10	For the existing sales tax, substitute	“ 40% ”
22.02.90	For the existing sales tax, substitute	“ 40% ”
22.03.00	For the existing sales tax, substitute	“ 70% ”
22.09.00	For the existing sales tax, substitute	“ 40% ”
22.09.10	For the existing sales tax, substitute	“ 40% ”
22.09.20	For the existing sales tax, substitute	“ 40% ”
22.09.30	For the existing sales tax, substitute	“ 40% ”
22.09.40	For the existing sales tax, substitute	“ 40% ”
22.09.50	For the existing sales tax, substitute	“ 40% ”
22.09.60	For the existing sales tax, substitute	“ 40% ”
22.09.70	For the existing sales tax, substitute	“ 40% ”
22.09.90	For the existing sales tax, substitute	“ 40% ”
24.02.20	For the existing sales tax, substitute	“ 50% ”
33.06.19	For the existing sales tax, substitute	“ 70% ”

<i>Tariff No.</i>		<i>Rate</i>
33.06.30	For the existing sales tax, substitute	" 70%"
33.06.40	For the existing sales tax, substitute	" 70%"
33.07.90	For the existing sales tax, substitute	" 70%"
49.01.00	For the existing sales tax, substitute	"0.00%"
49.02.00	For the existing sales tax, substitute	"0.00%"
49.02.10	For the existing sales tax, substitute	"0.00%"
49.02.90	For the existing sales tax, substitute	"0.00%"
49.03.00	For the existing sales tax, substitute	"0.00%"
49.04.00	For the existing sales tax, substitute	"0.00%"
49.05.00	For the existing sales tax, substitute	"0.00%"
49.06.00	For the existing sales tax, substitute	"0.00%"
49.07.20	For the existing sales tax, substitute	"0.00%"
49.07.90	For the existing sales tax, substitute	"0.00%"
68.11.20	For the existing sales tax, substitute	" 20%"
68.11.90	For the existing sales tax, substitute	" 20%"
68.12.10	For the existing sales tax, substitute	" 20%"
68.13.10	For the existing sales tax, substitute	" 20%"
82.01.10	For the existing sales tax, substitute	"0.00%"
82.01.90	For the existing sales tax, substitute	"0.00%"
84.51.10	For the existing sales tax, substitute	" 20%"
84.51.20	For the existing sales tax, substitute	" 20%"
84.51.30	For the existing sales tax, substitute	" 20%"
84.53.10	For the existing sales tax, substitute	" 20%"
84.53.20	For the existing sales tax, substitute	" 20%"
84.53.30	For the existing sales tax, substitute	" 20%"
84.53.40	For the existing sales tax, substitute	" 20%"
84.53.50	For the existing sales tax, substitute	" 20%"
84.53.90	For the existing sales tax, substitute	" 20%"
85.21.39	For the existing sales tax, substitute	"0.00%"
98.05.10	For the existing sales tax, substitute	"0.00%"

AMENDMENT TO THE SCHEDULE TO THE EXCISE TARIFF  
ACT

<i>Item</i>	<i>Duty</i>
1. Cigarettes:	
Safari ..	50%
C and S (medium) ..	50%
2. Spirits ..	50%

## FIFTH SCHEDULE

s. 12.

The first appendix and the second appendix to the Seventh Schedule to the Finance Act, 1989 are substituted with the following:

## FIRST APPENDIX

<i>Location</i>	<i>Public Road</i>
1. Nakibizzi ..	.. Kampala—Jinja
2. Lukaya ..	.. Kampala—Masaka

## SECOND APPENDIX

<i>Type of Motor Vehicle</i>	<i>Vehicle Weight</i>	<i>Rate of Fee at each crossing in shillings</i>
1. Cars, Omni-buses and Pick-Ups ..	.. Not exceeding 3 tonnes	200
2. Lorries, trailers, trucks and buses		500

## SIXTH SCHEDULE

FEES PAYABLE UNDER THE TRAFFIC AND ROAD  
SAFETY ACT, 1970, IN RESPECT OF LICENCES AND  
OTHER SERVICES.

1. LICENCE FEES	<i>Shs.</i>
(a) Motor Cycles:	
(i) without side Car	8,000
(ii) with side Car ..	12,000

	12 Months	8 Months	4 Months
(b) Private Motor Vehicles, Motor Cars (Other than Goods Vehicles/ and dual purpose:—			
(i) Motor Vehicle having weight not exceeding 500 kilogrammes	20,000	16,000	8,000
(ii) Motor Vehicle having weight exceeding 500 kilogrammes but not exceeding 1,000 kilogrammes	40,000	32,000	16,000
(iii) Motor Vehicle having weight exceeding 1,000 kilogrammes but not exceeding 1500 kilogrammes	60,000	48,000	24,000
(iv) Motor Vehicle having weight exceeding 1,500 kilogrammes but not exceeding 2,000 kilogrammes	80,000	64,000	32,000
(v) Motor Vehicle having weight exceeding 2,000 kilogrammes but not exceeding 2,500 kilogrammes	100,000	80,000	40,000
(vi) Motor Vehicle having weight exceeding 2,500 kilogrammes but not exceeding 3,000 kilogrammes	120,000	96,000	48,000
(vii) Motor Vehicle having weight exceeding 3,000 kilogrammes	140,000	112,000	56,000
(c) Commercial Vehicles, tractors and trailers and Semi-trailers, Engineering plant and unclassified Vehicles:—			
(i) Vehicle having weight not exceeding 2,000 kg.	49,500	39,000	19,000
(ii) Vehicle having weight exceeding 2,000 kg. but not exceeding 4,000 kg.	99,000	79,200	39,600
(iii) Vehicle having weight exceeding 4,000 kg. but not exceeding 6,000 kg.	148,500	118,800	59,400

	12 Months	8 Months	4 Months
(iv) Vehicle having weight exceeding 6,000 kg. but not exceeding 8,000 kg.	198,000	158,400	79,200
(v) Vehicle having weight exceeding 8,000 kg. but not exceeding 10,000 kg.	247,500	198,000	99,000
(vi) Vehicle having weight exceeding 10,000 kg. but not exceeding 12,000 kg.	297,000	237,600	118,800
(vii) Vehicle having weight exceeding 12,000 kg. but not exceeding 14,000 kg.	346,500	277,200	138,600
(viii) Vehicle having weight exceeding 14,000 kg. but not exceeding 16,000 kg.	396,000	316,800	158,400
(ix) Vehicle having weight exceeding 16,000 kg. but not exceeding 18,000 kg.	445,500	356,400	178,200
(x) Vehicle having weight exceeding 18,000 kg. but not exceeding 20,000 kg.	495,000	396,000	198,000
(xi) Vehicle having weight exceeding 20,000 kg. but not exceeding 22,000 kg.	554,500	435,600	217,800
(xii) Vehicle having weight exceeding 22,000 kg. but not exceeding 24,000 kg.	594,000	475,200	237,600
(xiii) Vehicle having weight exceeding 24,000 kg. but not exceeding 26,000 kg.	643,500	514,800	257,400
(xiv) Vehicle having weight exceeding 26,000 kg. but not exceeding 28,000 kg.	693,000	554,400	277,200
(xv) Vehicle having weight exceeding 28,000 kg. but not exceeding 30,000 kg.	742,500	594,000	297,000
(xvi) Vehicle having weight exceeding 30,000 kg. but not exceeding 32,000 kg.	792,000	633,600	316,800
(xvii) Vehicle having weight exceeding 32,000 kg. but not exceeding 34,000 kg.	841,500	673,200	336,600

	12 Months	8 Months	4 Months
(xviii) Vehicle having weight exceeding 34,000 kg. but not exceeding 36,000 kg. . . . .	891,000	712,800	356,400
(xix) Vehicle having weight exceeding 36,000 kg. but not exceeding 38,000 kg. . . . .	940,500	752,400	376,200
(xx) Vehicle having weight exceeding 38,000 kg. but not exceeding 40,000 kg. . . . .	990,000	792,000	396,000
(xxi) Vehicle having weight exceeding 40,000 kg. but not exceeding 42,000 kg. . . . .	1,039,500	831,600	415,800
(xxii) Vehicle having weight exceeding 42,000 kg. but not exceeding 44,000 kg. . . . .	1,089,000	871,200	435,600
(xxiii) Vehicle having weight exceeding 44,000 kg. but not exceeding 46,000 kg. . . . .	1,138,500	910,800	455,400
(xxiv) Vehicle having weight exceeding 46,000 kg. but not exceeding 48,000 kg. . . . .	1,188,000	950,400	475,200
(xxv) Vehicle having weight exceeding 48,000 kg. but not exceeding 50,000 kg. . . . .	1,237,500	990,000	495,000
(xxvi) Vehicle having weight exceeding 50,000 kg. but not exceeding 52,000 kg. . . . .	1,287,000	1,029,600	514,800
(xxvii) Vehicle having weight exceeding 52,000 kg. but not exceeding 54,000 kg. . . . .	1,336,500	1,069,200	534,600
(xxviii) Vehicle having weight exceeding 54,000kg but not exceeding 56,000 kg. . . . .	1,386,000	1,108,800	554,400
(xxix) Vehicle having weight exceeding 56,000 kg. but not exceeding 58,000 kg. . . . .	1,435,500	1,148,400	514,200
(xxx) Vehicle having weight exceeding 58,000 kg. but not exceeding 60,000 kg. . . . .	1,485,000	1,188,000	594,000
(xxxi) Vehicle having weight exceeding 60,000 kg. . . . .	1,534,500	1,227,600	613,800

## 2. DRIVING PERMITS:

(a) Driving Permit new (one year)	5,500
(b) Driving Permit renewal (one year)	4,125

## 3. TRANSFER FEES.

Transfer fees for motor vehicles shall be 3% of the motor vehicle value to be determined by the Government Chief Mechanical Engineer.

## SEVENTH SCHEDULE.

1. Coffee processing.
2. Cotton ginning.
3. Tea processing.
4. Tobacco processing.
5. Cereals, legumes and grains trading.
6. Fish processing.
7. Cattle trading.
8. Timber trading.
9. Hides and skins trading.
10. Milk processing.