

**BILLS  
SUPPLEMENT No. 8**

**BILLS SUPPLEMENT**  
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**Bill No. 11**

*Finance Bill*

**THE FINANCE BILL, 2007**

**MEMORANDUM**

The object of this Bill is to provide for the alteration of the tax base for hides and skins; exemption of motor vehicles, trailers and engineering plants from road licences and fees, establishment of the Road Fund; the waiver of interest and penalties for voluntary disclosure of tax liability; amendment of the Finance Act, 2006 to change the fees relating to services and various documents under the Traffic and Road Safety Act, 1998, Cap.361 and to extend the scope of the environmental levy, payment of bonuses to Uganda Revenue Authority in respect of meeting targets of collection of revenue and for related matters.

**DR. E. SURUMA,**  
*Minister of Finance, Planning and Economic Development.*

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Bill No. 11  
Finance Bill

Section	Description	Amount
1	Income tax	000,000
2	Excise duty	000,000
3	Stamp duty	000,000
4	Motor vehicle tax	000,000
5	Engineering plants tax	000,000
6	Road licence fees	000,000
7	Environmental levy	000,000
8	Uganda Revenue Authority bonuses	000,000
9	Waiver of interest and penalties	000,000
10	Amendment of Finance Act, 2006	000,000
11	Change of fees for services and documents	000,000
12	Extension of scope of Traffic and Road Safety Act	000,000
13	Alteration of tax base for hides and skins	000,000
14	Exemption of motor vehicles, trailers and engineering plants	000,000
15	Establishment of the Road Fund	000,000
16	Waiver of interest and penalties for voluntary disclosure of tax liability	000,000
17	Payment of bonuses to Uganda Revenue Authority	000,000
18	For related matters	000,000

THE FINANCE BILL, 2007.

ARRANGEMENT OF CLAUSES

Clause

PART I—PRELIMINARY

- 1. Commencement

PART II—AMENDMENT OF FINANCE (No. 2) ACT, 2002

- 2. Amendment of section 9 of the Finance (No.2) Act, 2002

PART III—EXEMPTION OF MOTOR VEHICLE, TRAILERS AND ENGINEERING PLANTS FROM LICENSING UNDER THE TRAFFIC AND ROAD SAFETY ACT

- 3. Exemption of motor vehicles, trailers and engineering of plants from licensing under the Traffic and Road Safety Act, Cap.361

PART IV—ESTABLISHMENT OF THE ROAD FUND

- 4. Establishment of Road Fund.

PART V—AMENDMENT OF FINANCE ACT, 2006

- 5. Amendment of Finance Act, 2006.

PART VI—WAIVER OF INTEREST AND PENALTIES ON VOLUNTARY DISCLOSURE OF TAX LIABILITY

- 6. Waiver for voluntary disclosure.

PART VII—REMISSION OF VALUE ADDED TAX ARREARS OF LOCAL GOVERNMENTS

7. Remission of value added tax arrears of local governments.

PART VII—PAYMENT OF BONUS TO UGANDA REVENUE AUTHORITY

8. Payment of bonus to Uganda Revenue Authority

SCHEDULE

Fees for Services and Various Documents Under the Traffic and Road Safety Act, 1998

A Bill for an Act

ENTITLED

THE FINANCE ACT, 2007

An Act to provide for the alteration of the tax base for hides and skins; exemption of motor vehicles, trailers and engineering plants from road licences and fees, establishment of the Road Fund; waiver of interest and penalties for voluntary disclosure of tax liability; amendment of the Finance Act, 2006 to change the fees relating to services and various documents under the Traffic and Road Safety Act, 1998 and to extend the scope of the environmental levy; payment of bonuses to Uganda Revenue Authority in respect of meeting targets of collection of revenue and for related matters.

BE IT ENACTED by Parliament as follows:

PART I—PRELIMINARY

1. Commencement.

This Act shall be deemed to have come into force on 1st July, 2007.

PART II—AMENDMENT OF FINANCE (No. 2) ACT, 2002

2. Amendment of section 9 of the Finance (No. 2) Act, 2002.

The Finance (No.2) Act, 2002 is amended in section 9 by substituting for subsection (1) the following—

“(1) There shall be charged and collected by Uganda Revenue Authority on any person exporting raw hides and skins of animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment dressed or further prepared) whether or not dehaired or split, a levy at the rate of US\$ 0.25 per kilogram”.

PART III—EXEMPTION OF MOTOR VEHICLES, TRAILERS AND ENGINEERING PLANTS FROM LICENSING UNDER THE TRAFFIC AND ROAD SAFETY ACT

**3. Exemption of motor vehicles, trailers and engineering plants from licensing under the Traffic and Road Safety Act, Cap. 361.**

(1) All motor vehicles, trailers and engineering plants, are exempted from the provisions of sections 15, 16, 17, 21 and 22 of the Traffic and Road Safety Act, 1998.

(2) All arrears of licence fees on motor vehicles, trailers and engineering plants are remitted.

PART IV—ESTABLISHMENT OF THE ROAD FUND

**4. Establishment of Road Fund.**

There shall be a Road Fund into which shall be paid all moneys appropriated by Parliament for road construction and road maintenance.

PART V—AMENDMENT OF FINANCE ACT, 2006

**5. Amendment of Finance Act, 2006.**

The Finance Act, 2006 is amended—

(a) in section 3, by inserting immediately after subsection (1) the following—

“(1a) The environmental levy shall also apply to a person who imports used motorcycles, scooters, mopeds, bicycles and used spare parts of motor vehicles or any of the items mentioned in this subsection”.

(b) by substituting for the First Schedule to that Act, the provisions of the Schedule to this Act;

(c) by inserting at the end of the Second Schedule to that Act the following—

“(g) used motorcycles, scooters, mopeds, bicycles and used spare parts of motor vehicles or any of the items mentioned in this paragraph 10%”.

PART VI—WAIVER OF INTEREST AND PENALTIES ON VOLUNTARY DISCLOSURE OF TAX LIABILITY

**6. Waiver for voluntary disclosure.**

(1) Where a taxpayer voluntarily discloses his or her duty or tax obligations and pays the principal duty or tax to the Uganda Revenue Authority, the interest and penalties due and owing on the principal tax shall be waived.

(2) Subsection (1) shall apply to disclosures made to the Uganda Revenue Authority on or before the 31st day of December 2007.

(3) In this section “tax” includes income tax, value added tax and “duty” includes stamp duty, excise duty and import duty.

PART VII—REMISSION OF VALUE ADDED TAX ARREARS OF LOCAL GOVERNMENTS

**7. Remission of value added tax arrears of local governments.**

All arrears of value added tax owed by local governments to Uganda Revenue Authority as at 30th June 2006 are remitted.

PART VIII—PAYMENT OF BONUS TO UGANDA REVENUE AUTHORITY

**8. Payment of bonus to Uganda Revenue Authority.**

(1) Where the Uganda Revenue Authority collects revenue in excess of the targets set by Government, it shall be entitled to a bonus.

(2) The bonus shall be equivalent to the Uganda Revenue Authority's total monthly wage bill or 10 per cent of the excess whichever is the lower.

(3) The bonus shall be withheld from the collections of the last two months of the financial year when it appears certain that Uganda Revenue Authority will achieve the target.

## SCHEDULE

## FEES FOR SERVICES AND VARIOUS DOCUMENTS UNDER THE TRAFFIC AND ROAD SAFETY ACT, 1998

Item		Fees (Shs)
1	<b>Registration fees on new registration</b>	
(a)	Sedan cars, saloon cars estate cars but excluding dual purpose goods passenger vehicles	500,000
(b)	Passenger vehicles, including light omnibuses having seating accommodation not exceeding 28 passengers	700,000
(c)	Medium omnibuses and heavy omnibuses having seating accommodation for more than 28 passengers	850,000
(d)	Ambulances prisons vans and hearses	250,000
(e)	Goods vehicles (including dual purpose vehicles/passenger vehicles), light good vehicle	
	<b>Types of vehicle</b>	
	Agricultural tractors	250,000
	Goods vehicles with less than two ton loading capacity	650,000
	Goods vehicles with more than two ton loading capacity and less than seven ton loading capacity	750,000
	Goods vehicles with more than seven ton loading capacity and less than ten ton loading capacity	850,000
	Goods vehicles with more than ten ton loading capacity	1,000,000
	Prime movers/tractor head	1,000,000
	<b>Type of vehicle</b>	
	Agricultural trailer	300,000
	Trailers and semi trailer with gross weight less than seven tons	650,000
	Trailers and semi trailers with gross weight more than seven tons	750,000
2	Re-registration fees for motor vehicles	500,000
3	Registration fees for motor cycles	250,000
4	Re-registration fees for motor cycles	150,000
5	Registration fees for personalised number plate vehicles	5,000,000

6	Registration fees for personalised number plate for motorcycles	1,000,000
7	Alteration of particulars motor vehicles (each item)	10,000
8	Certified copies of record	10,000
9	Search fees	10,000
10	Dealers motor vehicle licence per year	150,000
11	Duplicate number plates	10,000
12	OTV fees	
(a)	Commercial vehicles not exceeding two tons loading capacity	60,000
(b)	Commercial vehicles exceeding two tons loading capacity	150,000
<b>13</b>	<b>Transfer fees</b>	
(a)	Motor cycles	30,000
(b)	Motor cars and other dual purpose vehicles, excluding light goods vehicles	40,000
(c)	Other motor vehicles, trailers, tractors or engineering plants	60,000
14	Duplicate receipt and other licence certificate	10,000
15	Duplicate registration book	10,000
16	Duplicate driving permit	25,000
<b>17</b>	<b>Vehicle examination fees (inspection fees)</b>	
(a)	Motor cycles	2,000
(b)	Motor cars and other dual purpose vehicles, excluding light goods vehicles	5,000
(c)	Other motor vehicles, trailers, tractors or engineering plants	5,000
(d)	Agricultural tractors	3,000
<b>18</b>	<b>Driving permits (original)</b>	
(a)	One year	25,000
(b)	Three years	45,000

	<b>Driving permit (renewal)</b>	
(a)	One year	20,000
(b)	Three years	30,000
<b>19</b>	<b>Driving permit exchange</b>	
(a)	One year	25,000
(b)	Three years	45,000
20	Driving permit provisional	10,000
21	Accident report	50,000
22	Sketch plan	15,000
23	Test fees (per class)	18,000
24	Endorsement of third party interest	30,000
25	Extension (per class)	20,000
26	Duplicate order form	10,000
27	Form fees (per form)	5,000
28	Order form (seat)	4,000
29	Cancellation fees	10,000
<b>30</b>	<b>De-registration for export</b>	
(a)	Motorcycles	150,000
(b)	Station wagon	300,000
(c)	Salon vehicles	250,000
(d)	Commercial vehicles	350,000
(e)	Agricultural tractors	2,000,000
(f)	Omnibus	300,000
(g)	Engineering plant and other related vehicles	1,500,000
(h)	Agricultural trailers	500,000