URA MANDATE

• To assess, collect and account for central government tax revenue (including non-tax revenues);

• To provide advice to the government on matters of policy relating to all revenue sources
LAWS APPLICABLE

• URA Act Cap. 196;
• Income Tax Act Cap. 340;
• VAT Act Cap.349;
• Stamp duty Act 2014;
• EACCMA ( Customs Law)
• Finance Acts.
**Tax Rates Summary.**

### Domestic Taxes
- Corporation: -30%
- VAT: 0%, 18%
- WHT: -6%, 15%, 0%-20% (DTAs)
- Individual: 0%-30%
- Rental: -20%-30%
- Mining and petroleum: -30%

### Customs
- **Import duty**: 0%, 10%, 25%
- **Environmental Levy**: 0%-50%
- **Infrastructure Levy**: 1.5%
- **Domestic VAT**

### Others
- **Excise Duty**: (Spec. & Ad valorem rates)
- **Stamp Duty**: (Spec. & Ad valorem rates)
- **Lotteries and Gaming Tax**: (15% on winnings and 20% on income of gaming houses)
- **Non Tax Revenue**: (Specific rates)
APPLICABLE TAXES TO SOLAR MINI GRIDS

The taxes applicable to Solar mini grids in the pro mini grids projects include;

• VAT
• Corporation and individual taxes,
• PAYE, and
• Withholding taxes (WHT).
VAT

- **General Rule**: Every supply of goods or services is subject to VAT other than the Exempt ones.

- **VAT Applicable to Solar PV mini grids projects** (the exemptions)
  - Any goods and services to the contractors and sub contractors of solar power projects; Sec 19 and paragraph 1(dda) Second schedule.
  - Photosensitive semiconductor devices, including photovoltaic devices whether or not assembled in modules or made into panels.....Sec 19 and paragraph 1(t).
TO WHOM APPLICABLE

• Project owners;
• Project contractors;
• Suppliers to Project contractors (both local and foreign suppliers)

Note: The supply of power generated by solar attracts VAT at a standard rate of 18%
INCOME TAX

- Any person who derives Income from Uganda.
- Corporate Income tax
- Individual income tax
- Withholding taxes (local suppliers and service providers and foreign suppliers)
Withholding Tax

- Pay As You Earn (Pay roll taxes)

- Management or professional fees paid to a resident person by a resident person

- Payments of goods and services (designated agents).

- International payments under a Ugandan source service contract and income derived by non-resident contractors Sec 83 and 85
Application of WHT on International Payments

- Management or technical fees
- Dividend
- Interest
- Royalty
- Fees for services

Note: All the above FINAL taxes and the obligation is on the payer to withhold the tax.
Other Issues

• Treaty networks- Double Taxation Treaties with Netherlands, Denmark, UK, Mauritius, India, Zambia, Belgium, Norway.

• Transfer Pricing- The arms length principle in respect of associates.

• Thin Capitalization- 1.5-1 –debt equity ratio.

• Exemption on interest paid to a financial institution of a public character.
Obligations of a taxpayer

• Register your business with URA

• Regularly comply with your tax obligations such as filing returns, tax payments in time

• Keep proper records of accounts

• Comply with all taxation requirements and regulations

• Always seek correct information and advice (free of charge).
Q&A
URA’s Pledge

- Continuously improve the processes and systems to offer excellent services.
- Continuously participate in tax education and tax awareness initiatives utilizing social and mass media platforms.
- Partner with other stakeholders to address all related tax issues.
ASANTE

Your feedback is important.
Tell us at services@ura.go.ug

We delight in serving you!