

# Uganda Tax Data card

## 2020/2021

	Rate %
<b>Corporation rate</b>	
Residents	30
Non-residents*	30
<b>Capital deductions</b>	
Buildings	
Initial allowance	20
Depreciation (straight line)	
Horticultural plant or greenhouse	20
Other	5
Plant and machinery	
Initial allowance**	50
Depreciation (reducing balance)	
Class 1	40
Class 2	35
Class 3	30
Class 4***	20
Extractive sector	
Depreciable asset treated as mining exploration expenditure****	100
Depreciable / intangible asset treated as petroleum exploration expenditure	100
Others	
Intangible assets (straight line)	Over useful life
Startup costs depreciated on a straight line basis	25
Minor capital equipment with a cost base of less than UGX 1,000,000*****	100
*15% tax on repatriated income in addition to CIT for a branch (permanent establishment) of a non-resident	
**The asset must be located outside a radius of 50kms from Kampala boundaries	
*** Includes farm works	
****Acquisition cost of an intangible asset treated as mining exploration expenditure is allowed full deduction if the useful life of the asset is one year	
*****Returnable containers do not qualify	

<b>Resident Individual monthly rate</b>	
Bands of taxable income – UGX	Tax Rate
Not exceeding 2,820,000 (235,000 pm)	Nil
Exceeding 2,820,000 (235,000 pm) but not exceeding 4,020,000 (335,000 pm)	10% of the amount by which chargeable income exceeds UGX 2,820,000 (235,000pm)

Exceeding UGX 4,020,000 (335,000 pm) but not exceeding UGX 4,920,000 (410,000 pm)	UGX 120,000 (10,000 pm) plus 20% of the amount by which chargeable income exceeds UGX 4,020,000 (335,000 PM)
Exceeding UGX 4,920,000 (410,000 pm)	UGX 120,000 (10,000 pm) plus 20% of the amount by which chargeable income exceeds UGX 4,020,000 (335,000 PM)
Exceeding UGX 4,920,000 (410,000 pm)	a) UGX 300,000 (25,000 pm) plus 30% of the amount by which chargeable income exceeds UGX 4,920,000 (410,000 PM): and b) Where chargeable income of an individual exceeds UGX 120,000,000 (10,000,000 pm) an additional 10% charged on the amount by which chargeable income exceeds UGX 120,000,000 (10,000,000 PM)

Non-resident Individual monthly rate	
Bands of taxable income UGX	Tax Rate
Not exceeding 4,020,000 (335,000 pm)	10%
Exceeding UGX 4,020,000 (335,000 pm) but not exceeding UGX 4,920,000 (410,000 pm)	UGX 402,000 (33,500 pm) plus 20% of the amount by which chargeable income exceeds UGX 4,020,000 (335,000 PM)
Exceeding UGX 4,920,000 (410,000 pm)	a) UGX 582,000 (48,500 pm) plus 30% of the amount by which chargeable income exceeds UGX 4,920,000 (410,000 PM): and b) Where chargeable income of an individual exceeds UGX 120,000,000 (10,000,000 pm) an additional 10% charged on the amount by which chargeable income exceeds UGX

	Resident	Non-resident
	%	%
Dividend		
	120,000,000 (10,000,000 PM)	

### Employment Benefits

Housing:	Lower of (a) market rent of the accommodation reduced by any payments made by the employer or (b) 15% of the annual employment income paid by the employer to the employee
Car:	Available for use, wholly or partially, for private purposes this formula is used to compute the benefit: (20% * A*B/C)-D A: Is the market value of the motor vehicle at the time it is first provided to the employee***** B: Number of days in the year of income during which the motor vehicle was used or made available for use for private purposes C: Number of days in the year of income D: Payment made by the employee for the benefit *****Vehicle is depreciated by 35% per annum for the subsequent years of use following the first year
Loans:	The statutory rate is 7% for loans given in excess of UGX 1 million at interest rates below the statutory rate
Others:	Utilities, tuition, leave passages etc (the benefit is the market value less any payment made in respect of the benefit)

### Rental tax for individuals

20% of chargeable income in excess of UGX 2,820,000

### Business – Presumptive Income Tax

Specific presumptive income tax rates apply for resident taxpayers with business turnover between UGX 10 million and UGX 150 million

## Other individual payroll obligations

	%
National Social Security Fund (NSSF) contributed by employer	10
NSSF contributed by employee	5

Local Service Tax (LST) is levied on every person in gainful employment and earning a salary. The tax rates range from UGX 5,000 to 100,000 per annum

- to company controlling 25% or more of voting power	0	15
- from USE listed company to an individual	10	15
- otherwise	15	15
Interest		
- on government securities with maturity of less than 10 years	20	20
- on government securities with maturity of at least 10 years	10	10
- otherwise	15	15
Management / professional fees	6	15
Payment for goods or services exceeding UGX 1 million by the Government, local authority or designated withholding agent	6	N/A
To public entertainers and sports persons	N/A	15
Importation of goods into Uganda	6	6
Commissions paid by a Telecom provider for airtime distribution or mobile money services	10	N/A
Commissions paid to insurance and advertising agents	10	10
Reinsurance premiums	N/A	10
Management charge	N/A	15
Natural resource payment	N/A	15
Rent	N/A	15
Royalty*	N/A	15
To a ship, air or road transport operator for carriage of goods/passengers from Uganda	N/A	2
Transmitting messages by cable, radio, optical fiber or satellite; pay TV; internet	N/A	5
Purchase of asset from a non-resident	N/A	10
Purchase of a business or business asset	6	6
Service fee**	N/A	15

\* 6% withholding tax applies where payments are made by a licensee to any Ugandan contractor for the use of movable property

\*\* 10% applicable to contractors servicing mining and petroleum operations

### Disposal of investments

Tax rates	Ugandan asset %	Overseas asset %
<i>Individual</i>		
- Resident	10 – 40	10 – 40
- Non – resident	10 – 40	N/A
<i>Company</i>		
- Resident	30	30
- Non – resident	30	N/A

Exemptions:



	%
Increase of share capital	0.5
Transfer of shares	1.5
Registration of share capital	1

Income derived from agro processing and from exportation of consumer and capital goods (subject to certain conditions) is exempt

A tax holiday of ten years is available to exporters who export at least 80% of their produce of finished goods, subject to certain conditions

A 100% allowance is available for scientific research expenditure, training expenditure, and mineral exploration expenditure in the year of expenditure

Plant and machinery is exempt from customs duty on importation. Additionally, a VAT deferral facility is available where VAT is deferred on importation of plant and machinery and subsequently waived upon approval by the relevant authorities

Ten-year income tax exemption for developers and operators in industrial parks or free zones subject to meeting certain conditions

## Tax treaties

In force:

Denmark, India, Italy, Mauritius, Netherlands, Norway, South Africa, United Kingdom, Zambia

## Filing and payment

Tax type	Due date	Percentage of tax due
Corporate tax	First provisional instalment: Final day of the sixth month of the year of income	50% of the estimated tax payable
	Second provisional instalment: Final day of the twelve month of the year of income*	50% of the estimated tax payable
	Final tax: Last day of the sixth month after the year of income	Balance of the total tax payable (if any)
Withholding tax, PAYE, Excise duty and VAT which the tax arises**	By the 15th of the month following the month in	100% of the tax payable
Local Service Tax	Paid per annum in equal instalments over the first four months of the fiscal year (i.e. July to October)	
Transfer pricing documentation	Transfer pricing documentation is required to be available prior to the due date of filing the respective year's income tax return	N/A

\* It is possible to file an amended provisional estimate on or before the final day of the twelfth month of the year of income

\*\* National Social Security Fund Contributions are also made by the 15th of the month following the month in which the obligation arises

## Interest & Penalties

Submission of a tax Return after due date	2% of the tax payable or UGX 200,000 whichever is higher, in the case of late filing for CIT, PAYE, WHT and Excise duty
Late submission of a document other than tax return	UGX 50 million for failure to provide records in relation to transfer pricing within 30 days and UGX 20 million in any other case
Interest on late / non-payment of tax	2% of the tax due per month, in case of CIT, WHT, PAYE and Excise duty

<i>Penalty for making false or misleading statements</i>	Making false or misleading statements resulting in an underpayment or over claim of tax attracts a penalty equal to 200% of the tax due or over claimed. In order for this penalty to be imposed, the statements from the taxpayer must be made knowingly or recklessly
<i>Penalty for failure to appear before the Commissioner</i>	A fine not exceeding UGX 500,000 upon conviction
Penalty for understating of provisional tax	A taxpayer, whose estimate or revised estimate of chargeable income for a year of income is less than 90% of the taxpayer's actual chargeable income assessed for that year, is liable to pay penal tax equal to 20% of the difference between the tax calculated in respect of the taxpayer's estimate, or as revised, of chargeable income and the tax calculated in respect of 90% of the taxpayer's actual chargeable income for the year of income

Although we have taken all reasonable care in compiling this publication, we do not accept responsibility for any errors or inaccuracies that it may contain.

This data card reflects the law as at 1 July 2020 including changes introduced by the tax legislations for the FY 2020/2021.

This data card has been prepared for quick reference. It is not a substitute for professional advice and action should not be taken solely on the strength of the information contained herein.



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