

WHAT TAXES DO MOBILE MONEY AGENTS PAY?

Q Dear Commissioner,
What taxes is a mobile money agent required to pay?

A Dear Reader,
A mobile money agent is required to account for income tax on the commission received from the telecommunication company airtime and mobile money distribution. However, where the agent is an individual, the 10% tax withheld on the commission by the telecom company is a final tax and no further liability is imposed on the agent regarding that income. It is also important to note that:

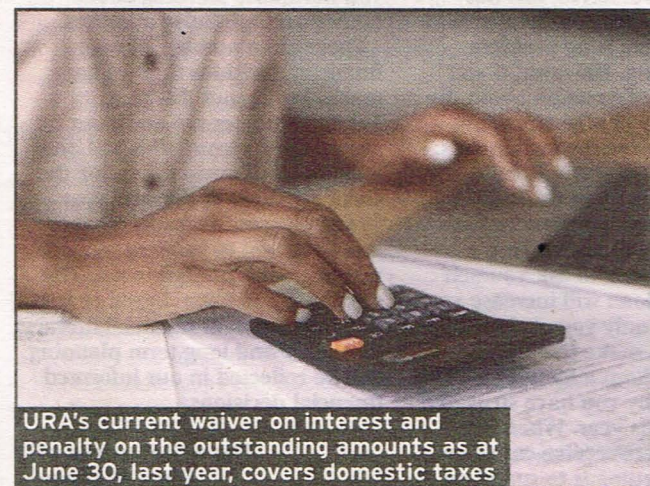
- Where the agent has employees, they are required to account for Pay As You Earn.
- The agent may be required to withhold tax if they are a designated withholding tax agent or they pay dividends, professional or management fees among others/
- Where the agent's commission from airtime sales exceeds the annual Value-Added Tax registration threshold of sh150m, they will be required to register and account for Value-Added Tax on the commission from the sale of airtime.

Taxes catered for under URA waiver

Q Dear Commissioner,
Which taxes are catered for under the waiver you keep on telling us?

A Dear Reader,
The current waiver on interest and penalty on the outstanding amounts as at June 30, last year, covers domestic taxes such as:

- Corporation tax
- Withholding tax
- Pay as you earn
- Value added tax
- Gaming and lotteries tax
- Rental tax
- Local excise duty
- Stamp duty.



URA's current waiver on interest and penalty on the outstanding amounts as at June 30, last year, covers domestic taxes



ASK URA COMMISSIONER GENERAL

Every Thursday, the Uganda Revenue Authority (URA) Commissioner General, John Musinguzi Rujoki, answers your questions.



Uganda Revenue Authority
DEVELOPING UGANDA TOGETHER

SEND YOUR QUESTIONS TO

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Does URA cater for persons with disabilities?

Q Dear Commissioner,
I want to work with Uganda Revenue Authority, but I have disabilities. How can I know when the job opportunities are available, and do they cater for persons like me?

A Dear Reader,
Uganda Revenue Authority is an equal opportunities employer and recruits suitably qualified individuals including persons with disabilities (PWDs).

We have also designed our premises to cater for the unique needs of PWDs. We, therefore, encourage you to apply for open vacancies via our website.

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Uganda Revenue Authority is an equal opportunities employer...

Learn about URA's incentives towards persons with disabilities

Q Dear Commissioner,
What incentives does Uganda Revenue Authority give to persons with disabilities?

A Dear Reader,
The current legal framework has various incentives for persons with disabilities and these include:

- Value-Added Tax exemption on the supply of assistive devices for persons with disabilities.
- Excise duty exemption on creams used by people with albinism to treat their skin.
- Duty-free importation of one motor which is specially designed for use by the disabled or physically handicapped persons
- Duty-free importation of materials, articles and equipment intended for the educational, scientific or cultural advancement of the disabled for the use of an organisation approved by the Government.
- Two percent deduction of income tax payable for private employers who prove to Uganda Revenue Authority that 5% of their full-time employees are persons with disabilities.

Does govt think of exempting education sector players from tax?

Q Dear Commissioner,
There are many private schools in Uganda, implying that they bridge the gap in education services and assist the Government in one way or the other. Does the Government think of giving the education sector players exemption?

A Dear Reader,
The Government is cognisant of the role played by the education sector players and has provided several incentives under the current legal framework such as:

- Ten-year income tax exemption for developers or operators of vocational or technical institutions subject to fulfilment of the certain conditions such as having a capital investment of \$10m for foreigners, \$300,000 for citizens. However, for citizens whose investment is upcountry, the capital investment is reduced to \$150,000;
- Value-Added Tax exemption on supply of education services, Bibles and Qurans and textbooks, among others.
- Value-Added Tax exemption on imported crayons, coloured pencils, lead pencils, rulers, erasers, stencils, technical drawing sets, educational computer tablets, educational computer applications or laboratory chemicals for teaching science subjects used in educational services;
- Value-Added Tax exemption on woodworking machines, welding machines and sewing machines;
- Zero rate of Value-Added Tax on supply of locally-produced educational materials including those produced in an East African Community partner state.

Importation of vehicles that favour persons with disabilities

Q Dear Commissioner,
Why doesn't the Government reduce taxes that bus companies pay, so that they can import vehicles that favour persons with disabilities?

A Dear Reader,
This is a worthwhile proposal that will be forwarded to the line ministry for further consideration.