

## WHAT IS WAIVER ALL ABOUT?

**Q** Dear Commissioner,  
What is the waiver all about??

**A** Dear Reader,  
Following the COVID-19 pandemic, which adversely affected many businesses, the Government instituted several measures to support the recovery of the affected businesses. One such measure is waiver of interest and penalty outstanding as at June 30, 2024, where a taxpayer pays the outstanding principal tax by June 30, 2026.

Please note that where a taxpayer pays part of the principal tax outstanding as at June 30, 2024, by June 30, 2026, the interest and penalty shall be waived on a pro-rata basis.

## Does URA tax political posters, advertisements on display?

**Q** Dear Commissioner,  
Political posters and advertisements are displayed in large volumes across the country, especially during campaign periods. Does Uganda Revenue Authority tax the printing or display of these materials? If not, why are they exempt, considering that politics has increasingly become a business venture with significant funding?

**A** Dear Reader,  
Entities involved in the business of printing, advertising and supplying campaign materials including posters, t-shirts, reflector jackets etc. are required to account for taxes in accordance with the law.

The taxes payable include income tax which is computed on gross income (in case of a presumptive taxpayer) or profit (where a person is required to prepare books of account and file returns), and VAT which is charged on a taxable supply made by a person registered for VAT.

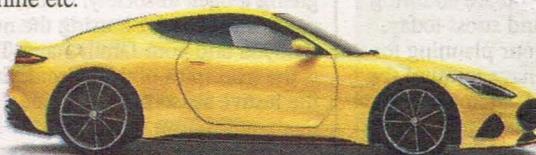
Please note that no income is earned by politicians from the mere display of their posters and therefore the politicians are not liable to pay taxes on such display.

## Are Ugandans returning with cars they used abroad supposed to pay tax?

**Q** Dear Commissioner,  
If a Ugandan citizen is returning home with a vehicle they have been using abroad for personal purposes, what taxes or duties will be charged upon importation? Is there a tax relief option for returning residents?

**A** Dear Reader,  
The current legal framework provides tax relief to returning residents in respect to personal effects. In Uganda, the following conditions must be met for a person to benefit from the relief:  
i.) In the case of a motor vehicle, the returning resident must have owned and used the motor vehicle for at least 12 months and the vehicle should have been registered in the name of the returning resident;  
ii.) The returning resident's stay in the foreign country should not have been interrupted within the 12-month period;  
iii.) The personal effects are required to be within Uganda not later than 90 days after the return of the resident person.

Please note that personal effects are restricted to only one item per category, one television set, one motor vehicle, one washing machine etc.



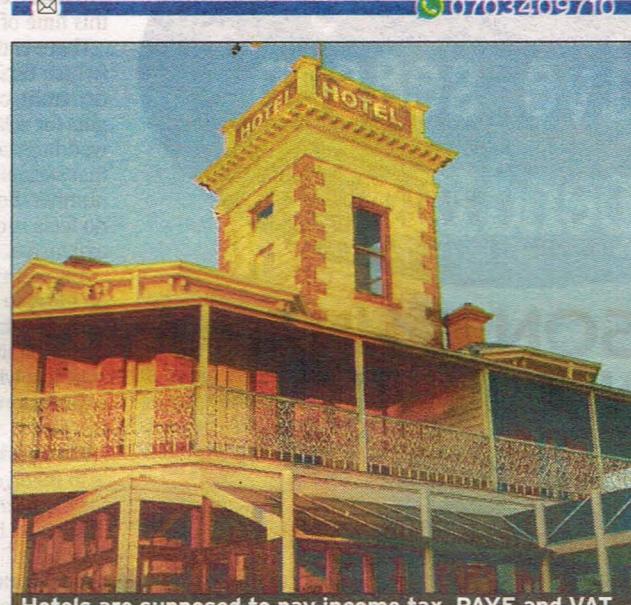
The vehicle should have been registered in the name of the returning resident

**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  
AskCG@newvision.co.ug



## What taxes are hotel owners supposed to register for?

**Q** Dear Commissioner,  
What taxes is a hotel owner required to be registered for?

**A** Dear Reader,  
Upon commencement of the business, one is required to

register and account for applicable taxes with Uganda Revenue Authority.

In the case of hotels, the following taxes may apply:

**i.) Income tax:** This is tax on profit generated by a business entity which may be taxed under the individual tax rates (where the business is owned by an individual) or at corporation tax rate (where the business is operated as a company). Income tax is accounted for on an annual basis;

**ii.) Pay As You Earn (PAYE):** This is deducted at source from the salaries and allowances of employees. Where the business is operating as a company, the director(s) may account for tax on their salary through the PAYE collection mechanism. However, where the director(s) has other sources of income, they will be required to account for their income through filing individual income tax returns.

An employer is required to account for PAYE monthly through a PAYE return and remit the taxes due by the 15th of the following month.

**iii.) Value Added Tax (VAT):** The business will be required to register and account for VAT where the value of taxable supplies in three consecutive calendar months exceeds sh37.5m. VAT is accounted for monthly by the 15th of the following month.

## How should companies designated to withhold tax deal with uncooperative suppliers?

**Q** Dear Commissioner,  
Construction companies designated to withhold 6% tax face rejection from suppliers who claim the deduction is more than their profit margin. In cases where suppliers refuse, the tax is still paid under the supplier's TIN. Can the payer be allowed to credit that amount or redirect it? There's also concern about unfair competition when only some bidders are designated agents.

**A** Dear Reader,  
Designation of taxpayers as withholding tax agents is the mandate of the finance minister. Where one is designated to withhold tax, it is advisable to deal with suppliers who are compliant or those who have withholding tax exemption. It is improper for a person to pay the full amount, yet the payee is the person who benefits from the tax withheld.

Unfortunately, the law only recognises the Tax Identification Number of the supplier in the above scenario, thereby benefiting from a tax credit not paid by themselves.

URA will continue to sensitise the public about withholding tax being an advanced tax paid by the payee.

## What is expected of a tax payer by December 31?

**Q** Dear Commissioner,  
What is expected of any registered person for tax purposes at this time of the year, December 31?

**A** Dear Reader,  
A person registered for taxes is required to file a return and pay any resultant tax by the due date.

The following income tax (including rental) obligations are due by December 31, 2025:

1) Filing a final income tax return and payment of final income tax by an individual and a non-individual for the period 1st July 1, 2024, to June 30, 2025;

2) Filing a provisional income tax return by a non-individual for the period of July 1, 2025, to June 30, 2026;

3) Filing a provisional income tax return by an individual for the period of October 1, 2025 to September 30, 2026;

4) Payment of provisional income tax for individuals:

■ First instalment if your accounting date is September 30;  
■ Second instalment if your accounting date is June 30;  
■ Third instalment if your accounting date is March 31;  
■ Fourth instalment if your accounting date is December 31;

5) Payment of provisional income tax for non-individuals:

■ First instalment if your accounting date is June 30;  
■ Second instalment if your accounting date is December 31.