

## WHY AREN'T FUNERAL SERVICES COMPANIES TAXED?

**Q Dear Commissioner,**  
Why don't you collect taxes from funeral service companies, yet they also source income?

**A Dear Reader,**  
Any person or company offering funeral services is required to account for taxes on the income earned from the services offered. The applicable taxes are income tax, withholding tax and pay as you earn.

Please note that the provision of funeral services is exempt from value added tax (VAT).  
If you know anyone who is not paying taxes please share with us this information through our toll-free number 0800257700.

## Why do small businesses pay same market dues like big ones?

**Q Dear Commissioner,**  
Why do small businesses pay the same market dues, like big businesses?

**A Dear Reader,**  
All taxes are paid according to income earned, for presumptive taxpayers and profit earned for taxpayers who earn a turnover of more than sh150m. For small businesses, they will be required to pay income tax (presumptive tax) and the big businesses will pay all taxes according to their kind of business.

However, please note that, assessment of market dues is managed by city council and local governments (municipal council and town councils, etc.). We kindly advise that you visit any city council or local government office for further guidance on this matter.

For your further inquiries concerning taxes please do not hesitate to reach out to us on our tollfree number 0800217000 or our whatsapp 0772140000 or via <https://touchpoint.ura.go.ug/>.

## Why are private schools taxed?

**Q Dear Commissioner,**  
Why does URA collect taxes from private schools yet they offer services that government would have offered?

**A Dear Reader,**  
The Government appreciates the contribution made by private schools in the education sector. However, private schools are involved in business just like any other service providers and are therefore required to account for taxes on the profits earned. In addition, private schools are required to account for pay as you earn on salaries paid to the employees of the school.

Please note that education services are exempt from VAT and locally produced educational materials (including those produced in the East African Community States) are zero rated for VAT purposes.

## Why am I still demanded rental tax, yet my houses are no more?

**Q Dear Commissioner,**  
I had rental houses in Bwaise. Unfortunately, the rain destroyed them, but URA is still demanding rental income tax.

**A Dear Reader,**  
It's unfortunate that your business experienced such a calamity. Rental income tax is applicable where you earn rental income. In the event that you are not earning rental income, you should file a nil rental income tax return to avoid estimated assessments by URA.

Please note that any rental income tax that accrued prior to the destruction of your rental properties is payable. However, you



# 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

📞 0703409710

may take advantage of the current waiver of interest and penalty outstanding as at June 30, 2024, if you pay the principal rental income tax by June 30, 2026.  
For further assistance, kindly visit the nearest URA office.

## What can I do to register my business for pay taxes?

**Q Dear Commissioner,**  
I have a business of selling groundnuts in Nansana. What can I do to register the business for taxes?

**A Dear Reader,**  
We appreciate your vigilance to formalise your business. To register your business for taxes, you are required to apply for a tax identification number (TIN).

As an individual, follow the steps below to obtain a TIN:

- Visit the URA web portal at [www.ura.go.ug](http://www.ura.go.ug)
- Click domestic taxes
- Go to get a TIN
- Then instant TIN application
- Select individual as the applicant category
- Enter your correct national identification number (NIN), your date of birth (in the order of: year, month and day). Click anywhere on the screen and the system will auto-populate your details.
- Fill in all the additional mandatory information, select your source of income and provide your email address.
- Verify the information and submit.
- A TIN shall be generated instantly.

URA, is committed to serve you better every day, if you have any issues, please do not hesitate to reach out to us on our tollfree number 0800217000 or our whatsapp 0772140000 or via <https://touchpoint.ura.go.ug/>

## Can I benefit from income tax exemption for a business registered in August last year?

**Q Dear Commissioner,**  
I registered my pharmacy business on August 21, 2025. Can I benefit from the three years exemption on income tax that was pronounced in the 2025/2026 policy amendments?

**A Dear Reader,**  
Yes, you may benefit from the three-year income tax exemption on income derived from a business established by a citizen after July 1, 2025, where the:

- Business is registered with an investment capital not exceeding sh500m.
- Citizen or an associate of the citizen has not previously benefited from the exemption.
- Citizen files a tax return including a business information return referred to in section 147 of the Income Tax Act in the format prescribed by the Commissioner General.

## Why does URA tax awards received by sports persons?

**Q Dear Commissioner,**  
Why does URA impose taxes on international awards received by Ugandan athletes, especially when these prizes are earned through personal merit and without direct government or URA involvement?

**A Dear Reader,**  
Effective July 1, 2013, an award received by a sports person as a reward for winning or participating in a sports competition is exempt from Income Tax. Therefore, URA does not collect taxes from such awards.

## Is a returning resident exempted from tax on personal property he/she was using abroad?

**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 including motor vehicles where the following conditions are met:

- i.) 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 motor vehicle is required to be within Uganda not later than 90 days after the return of the resident person.

Please note that a returning resident shall benefit from tax relief on only one motor vehicle.



The law provides tax relief to returning residents in respect to personal effects including motor vehicles