

# SME TAX EDUCATION AND OUTREACH

**Q Dear Commissioner,**  
How is URA using local media, SACCOS and community radio to reach informal traders and small businesses with simplified tax education? Can URA partner with local governments or business associations to create periodic tax clinics for rural SMEs?

**A Dear Reader,**  
URA has a number of communication channels that are used in disseminating tax information to traders in the informal set up. These include;  
 ■ Local or Community radios  
 ■ Newspapers  
 ■ Radio and TV stations  
 URA has a tripartite arrangement with KCCA, URSB and the Ministry of Local Government, called TREP [Taxpayer register Expansion Programme]. This started in 2013/2024. It has helped all the four government agencies to work together and also do joint engagement in various communities.

## Are groupage imports abolished?

**Q Dear Commissioner,**  
Did you abolish importation of goods under the groupage system?

**A Dear Reader,**  
The Commissioner General did not abolish importation under groupage. However, an improvement in clearance of the goods at customs was pronounced.  
 As you import your goods under groupage, ensure that you have a bill of lading/ cargo manifest as an individual importer. This will help identify which goods are yours as an individual.  
 Secondly, what changed was, as the goods arrive at the port of entry, the container leader has to assign each individual who has cargo in that container a **house bill under the Individual TIN of each importer.**  
 This will give each importer in the groupage consignment a chance to clear their goods under each importer's TIN. In other words, it enables you, the importer, to receive your individual assessment for only your goods, so that you can clear the import duties that relate to your consignment, then later the goods are released to you.  
**N.B: As an importer, do not hand over the money meant to clear import duties of your goods to the consolidator. Clear these amounts on your individual house bill and ascertain a payment slip in your TIN.**

## PAYE and commission income

**Q Dear Commissioner,**  
If I am formally employed and already paying PAYE and NSSF, but occasionally earn commission income (which is subject to withholding tax), am I still required to file separate returns for that commission income? If yes, under what category?

**A Dear Reader,**  
You have 2 different kinds of income sources.  
 i.) Employment income that attracts Pay As You Earn (PAYE).  
 ii.) Business income that is subjected to withholding tax once it exceeds sh1,000,000 in a given transaction.  
 However, if withholding tax is not treated as a final tax, you will be required to file an Income Tax return at the end of the year, in order to utilise the withholding tax in credit.

## Tax burden on hospitality sector

**Q Dear Commissioner,**  
Why are hotels and hospitality businesses subjected to over 27 taxes? Doesn't this make accommodation and services more expensive for tourists? Could the Government consider consolidating or waiving some of these taxes to enhance the competitiveness of Uganda's tourism sector?



# ASK URA COMMISSIONER GENERAL

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



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## Can an employee's PAYE be paid under the employer's TIN?

**Q Dear Commissioner,**  
Can an employee's PAYE be paid under the employer's TIN, or must every employee have their own TIN for proper PAYE remittance? How should small businesses handle this practically?

**A Dear Reader,**  
The following are obligations of each party. The employer has the following obligations.  
 ■ Ensure that each employee has a signed employment contract/appointment letter.  
 ■ Ensure that each employee supplied the employer with his/her individual TIN.  
 ■ Consolidate all taxable allowances to arrive at the taxable employment income of each employee  
 ■ Make full declaration of all employees, whether earning below sh235,000 per month on the monthly PAYE return.  
 ■ Apply the correct taxing bracket to each employee  
 ■ Ensure that a PAYE return is filed for each month by the 15th day of the pre-ceding month.  
 ■ Make a payment of the PAYE withheld from each employee by the 15th day of the preceding month, and this should correlate with the PAYE return filed for each month.  
 The employee has the following obligations.  
 ● To ensure that he/she furnishes their individual TIN with the employer, before payment of the first salary.

## What formal escalation channels exist at URA?

**Q Dear Commissioner,**  
When taxpayers face unresolved issues at local URA branches (e.g, Hoima URA Station), what formal escalation channels exist to reach the Commissioner General's office for timely resolution?

**A Dear Reader,**  
URA has availed different communication channels in the event that you need to escalate an issue; toll free numbers 0800117000 and 0800217000, email to services at ura.go.ug, WhatsApp line 0772140000

## Are members of the armed forces subject to PAYE

**Q Dear Commissioner,**  
Are members of the Uganda People's Defence Forces (UPDF) and other security agencies subject to PAYE and other income taxes in the same way as civilians?

**A Dear Reader,**  
Dear Reader, the official employment income of a person employed in the Uganda Peoples' Defence Forces, the External Security Organisation, the Internal Security Organisation, the Uganda Police Force or the Uganda Prisons Service, other than a person employed in a civil capacity, is exempted from tax [PAYE.]  
 However, if that UPDF or Police officer opens up a business, the income from that business is not exempted from taxes and, therefore, taxed like any other civilian.

**A Dear Reader,**  
URA collects specific kinds of taxes from the hotel industry, and these include:  
 i.) Income tax – collected when the hotel ascertains its gross turnover in a given year and reduces off the business expenses incurred in that very year. The balance is its profit (chargeable income.)  
 Income tax is computed on profit (chargeable income.)  
 ii.) Pay As You Earn (PAYE) – This tax is withheld from employees' gross salaries' in excess of sh235,000 every month.  
 iii.) VAT is collected on supplies.

## VAT threshold adjustment

**Q Dear Commissioner,**  
Why has URA not yet approved the proposal to raise the VAT registration threshold from sh500m to sh1b, as requested by traders? Given recent business closures, wouldn't this adjustment provide relief and support business recovery?

**A Dear Reader,**  
When URA receives tax proposals /amendments from the public/clients, they are compiled and forwarded to the finance ministry for a detailed analysis. Then later presented on the floor of parliament.  
 If these amendments go through, they will later become bills that are presented to His Excellency the President of Uganda for assentment and later become law.  
 It is at this point that URA comes in to implement what has become law and to also sensitise the general public on these same policy amendments.