



CSBAG BUDGET NEWS BRIEF



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Advocating for a People Centered Budget that Dignifies Humanity



URA collects 11.3trillion in FY 2015/16

WEEK IN PICTURES

“On Monday 27th June 2016, the Uganda Revenue Authority (URA) Commissioner General Doris Akol released UAR’s end of financial year statement for the financial year 2015/16. In this week’s Edition, CSBAG shares with you insights into this statements and a review of the projected 2016/17 URA target.”



On Monday 27th June 2016, the Uganda Revenue Authority (URA) Commissioner General Doris Akol released its end of financial year statement for the financial year 2016/17. | © chimpreports.

In an end-of-financial-year statement released by the Uganda Revenue Authority (URA) Commissioner General Doris Akol on Monday 27th June 2016, it was revealed that revenue collections have grown by 16% in the financial year 2015/16. “I am glad to report that because of your efforts and compliance, this financial year, URA would have collected over sh 11.3 trillion,” she said in her statement. She attributed this success to the various categories of taxpayers whose compliance to their tax obligation enabled URA to achieve its FY 2015/17 targets. In a statement released close to the end of the financial 2015/16, the URA Commissioner General, Akol revealed that revenue collected by URA had funded up to 61% of the Government Expenditure Budget.

2015/16 tax collections fell short of the annual target of Ushs 11.598bn for the same financial year. This leaves us with reservation as to whether Uganda Revenue Authority (URA) will meet the set target for the Financial Year 2016/17 of Shs12.9 trillion.

FY 2016/17 Target

In the FY 2015/16 National Budget Speech, Government is confident that URA will raise Ushs 12.914.3bn shillings. The confidence is based on the new reforms put in place to improve efficiency in tax administration, including enforcement of collections; increasing the tax base by reducing the size of the informal sector; and increasing investment in tax collection infrastructure.

A number of commendable initiatives have been put in place targeting especially the informal sector that need to be supported these include the TIN Campaign, #MpaReceiptYange Campaign among others. To note however is that whereas the number of tax payers has risen URA is still pessimistic about these rising targets and in fact expressed fears of meeting the FY 2016/17 target stating that much as URA has registered an increasing number of people registering for tax payment with URA, the number of reliable tax payers are still low.

“The total number of people who have registered for tax payment is approaching one million. However, out of these, the active/reliable tax payers are only 250,000 people, excluding employee tax payers,” Mr, Henry Saka, the URA commissioner for domestic tax department was quoted in an interview with Saturday Monitor during the

the post Budget seminar organised by international audit firm Deloitte.

Mr. Saka said most of the people registering for tax are doing it just to get driving permits. To ensure that there is compliancy, M Saka said “no business person will get trading license without a Tax Identification Number,” he said.

Challenges of narrow tax base

Compared to Kenya, Tanzania and Rwanda, Uganda’s tax contribution to GDP also known as the gross domestic product, is the lowest. The country’s tax contribution to the GDP which is the value of goods and services produced in a country over a period of time, which could be either quarterly or annually, is hovering at between 12.5 to 12.9 per cent.

Reminder to Tax Payers

Akol used the opportunity to remind taxpayers to meet their obligations, hours to the close of the financial year in Uganda – June 30.

- All taxpayers with current and past tax obligations to pay these by 30th June 2016 to avoid accumulation of interest and penalties as well as the inconvenience that comes with tax enforcement activities.
- All tax payer that fall within the presumptive category to pay the flat rates that were designated for them by 30th June 2016. These include restaurants and bars, clinics and drug shops, salons, garages (Motor Vehicle repair), general trade shops, carpentry/ metal workshops etc.
- All landlords with rental tax obligations are also expected to pay final tax by 30th June 2016



Together with the Financial Management and Accountability Program of Ministry of Finance, reached out to member of the 10th Parliament during the just concluded post-election meeting held for at Imperial Royale Hotel in Kampala



CSBAG this week joined other members of the Energy Sector Working Group to monitor progress at the Karuma Dam Project. Karma Outlet tunnel work excavation was at 75% as per reports by Project Engineer

“The Powerful leader must allow us to the implement the budget”

PS/ST Keith Mujakanizi addressing 10th Parliament, where he warned against approving supplementary budgets which undermine budget processes

