

## CSOs warn MPs against evading taxes



CSBAG team addressing the media on the plot by MPs aimed at evading paying taxes on their emoluments today 8<sup>th</sup> April 2016 at CSBAG offices.

**The Civil Society Organizations have warned Members of Parliament against a move to exempt themselves from paying Income tax accrued from their emoluments/allowances saying the action is deplorable and a betrayal of the electorate.**

Civil society is worried that the debate is to surface on the Floor of Parliament when the Income Tax Bill debate resumes.

“We find the move by MPs to exempt their emoluments from Income tax unconstitutional. As citizens we find this move deplorable given that it’s happening at time we are encouraging every Ugandan citizen to pay their share of taxes,” Julius Mukunda the Civil Society Budget Advocacy Group

(CSBAG) coordinator.

He said this in an impromptu press conference convened at CSBAG head office in Kampala.

The Civil Society argued that if the Income Tax Act is amended it will deprive citizens the much needed better service delivery accrued from MPs emoluments and allowances.

They cited the High Court ruling by Justice Peter Adonyo which ordered the Parliamentary Commission to deduct tax from MPs’ emoluments and further instructed that all taxes owing and due to Government of Uganda be collected and remitted to Uganda Revenue Authority from 2004.

Flanked by David Walakira Budget Policy Specialist and Carol Namagembe Programme Associate, Mukunda pointed out that despite the Court ruling they have learnt that the Commission has not remitted the funds to URA.

He explained that the MPs’ move has drastic effects to the delivery of service in the Financial Year 2016/2017 especially to education and health sector.

He specifically singled out that the money equivalent UGX 41.58bn per month that would have been paid by MPs as result of tax exemption would pay 4,208 medical workers annually.

The CSOs argued that already in the FY 2016/17 has a short fall of UGX35bn to recruit extra 3,542 health workers. “This short fall will mean that all the plans underway in provision of quality health care will be crippled,” he stated.

The CSOs appealed to MPs not to negate their obligation of paying taxes and leave the burden to the poor electorate they represent. They observed that efforts by URA to widen tax base would be dampened considering the fact there is a high demand for better services if the MPs plan succeeds.

“The MPs will lose the moral authority to ask and demand for better service delivery to which they don’t contribute,” Mukunda said.

The civil society appealed to Government to review the salary structure through the Salary Review Commission so as to have equity across the board.

The CSOs threatened that if the MPs don’t abandon their project they would not hesitate to take action. However, they appealed to the Speaker of Parliament Rebecca Kadaga to rein on lawmakers to prevent them from evading taxes or else the move will dent her speakership.

The same appeal was extended to the President Elect Yoweri Museveni who recently told NRM legislators at Kyankwanzi National Institute that there would be no salary increment for them.

**Full statement can be downloaded: [CSBAG Press statement- Members of Parliament Emoluments to be exempted from Income tax](#)**