

## KACITA, Law Society, CSOs launch 5 million signature campaign for taxing MPs allowances



Citizens at the launch of the 5 million signature petition asking H.E the President to no assent to the Income Tax (Amendment) Bill, 2016 on 20<sup>th</sup> April 2016 at

**Civil society organizations, the law society and Kampala City Traders Association (KACITA) have a launched a campaign to collect 5 million signatures to ensure that MPs allowances are taxed. The signatures will be presented to President Museveni.**

This launch follows a move by MPs to amend Income Tax Act to exempt them from paying taxes on their allowances. The campaign was launched during the national stakeholders' dialogue on amending Income Tax Act at Hotel Africana on Wednesday 20<sup>th</sup> April 2016.

Outlining the 9 reasons why MPs should have their emoluments taxed Julius Mukunda, the Coordinator of CSBAG noted that Uganda risks becoming a Highly Indebted Poor Countries (HIPC) if the lawmakers get away with tax evasion.

"In the FY 2016/17 Government has projected to allocate UGX 2.02Tn on interest payment. At a time like this Uganda needs more efforts to generate significant local revenue to reduce the debt burden". Mentioned Mukunda. He also mentioned that although East African Monetary Unit Protocol requires that for the EAC to have a common currency, state parties must have a Tax to GDP ratio of 25%, Uganda is stagnating at 12.9% which is not a good performance. The Coordinator pointed out that the country is going to lose sh49.6bn annually if the MPs of 10<sup>th</sup> Parliament are exempted from paying taxes on their allowances.

Everest Kayongo the Chairperson of KACITA argued that as traders they are already remitting 42% taxation to Uganda Revenue Authority (URA). "We have all along been calling on Government to broaden tax base but to our surprise the MPs are running away from their obligation and pushing the tax burden to us (traders)," Kayongo said. Kayongo pledged that he is going to rally the trading community to append their signatures to the Petition to ensure MPs pay taxes. Hope Katwine the Vice Chairperson of KACITA agreed with her boss saying the traders are paying a lot of taxes and therefore, MPs shouldn't exempt themselves. Katwine argued that if MPs are exempted from paying taxes other workers including teachers and judges are going to follow suit and ask to be exempted from taxes on their allowances.

The President of Uganda Law Society Francis Gimara criticized MPs for exempting themselves to pay tax on their allowances saying it's unconstitutional. He noted that citizens' perspective about Parliament as the champions of rule of law has been eroded.

He said the MPs' move creates a certain segment of citizens who are above others and this amounts to discrimination. "This must be challenged as it contravenes Art. 21 of the Uganda Constitution which guarantees equality for all citizens before the law." Gimara said. He further stressed that by MPs choosing to render the Commercial Court judgment useless through passing a law that exempts them from paying tax is an abuse of the judicial process which also amounts to misuse of legislative power. "As the law society we have legal ground to take Parliament to court and we shall explore all avenues as provided for in the constitution to challenge this rather obnoxious move", Gimara said.

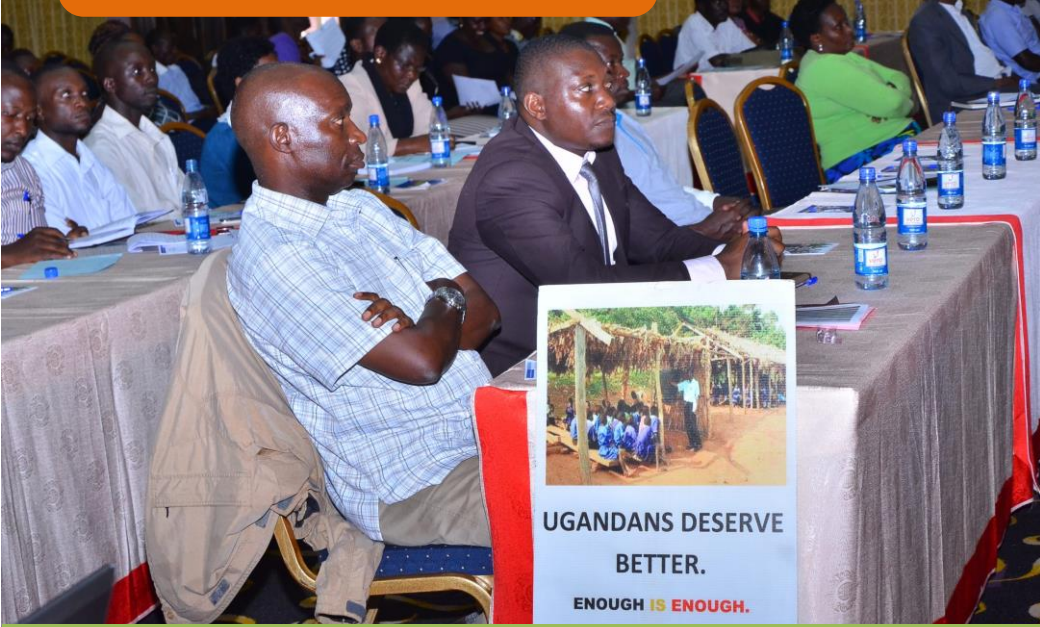
On his part Richard Ssewakiryanga, the Executive Director of Uganda National NGO Forum cautioned that MPs seemed to have neglected their duty of representation. "They needed to first have consulted their electorate whether they should not pay taxes on their allowances before they exempt themselves". Warned Richard. He argued that without citizens' clearance then the MPs have no moral authority to exempt themselves from paying taxes on their allowances and therefore, they should pay the taxes. This is a tival matter we need to have seen our legislators pushing for more progressive tax regimes, because as country we require significant domestic revenue to match up with our colleagues in the region.

In her remarks, Harriet Gimbo the Programs Director at Action Aid Uganda and appealed to President Yoweri Museveni not to assent to the amended Income Tax Bill. "The President must not assent to this bill. MPs must pay tax and must lead by example," Gimbo said. She castigated the MPs' move saying the country can't afford to lose the much revenue needed to improve service delivery. "We demand legislators to be accountable in promoting progressive legislation to ensure that we have enough revenue for service delivery," Gimbo said.

Jane Nalunga, the Executive Director of SEATINI also warned that the MPs move if approved by the President would deprive the country of domestic revenue needed to cater for health, education and agriculture sectors. Nalunga noted that the consequence of MPs tax exemption is going to affect more women who spend most of their time in health center, on farm, children education. "Anytime there is a shortfall women suffer more especially in regards to social services like health care," Nalunga said.

The dialogue also attracted regional CSO coalitions who among others included Teso Anti-Corruption Coalition, Western Ankole Civil Society Forum, Lira NGO Forum. Also in attendance were farmers, students, trades who all made an outcry for the President not to assent to the Income Tax (Amendment) Bill, 2016. A 5 million signature campaign was officially launched and many pledged to canvass their areas for signatures as a citizens as demonstration of their dissatisfaction to the MPs' move.

# Launch in Pictures



Citizens at the #TaxMPs debate held 20th April 2016



Isabella Akiten from Uganda Youth Network discussing implications of MPs' move to the youth during the #TaxMPs debate held 20th April 2016.



Florence, a Woman Councilor from Nakaseke, calling for fairness of MPs as she is taxed 27% of her allowance by Nakaseke District LG



The Panel including Mr. Gimara Francis-President Uganda Law Society, Mr. Everest Kayondo-Chairperson Kampala City Traders Association (KACITA), Mr. Richard Ssewakiryanga- Executive Director-Uganda National NGO Forum, Mr. Julius Mukunda CSBAG Coordinator, Ms. Jane Nalunga Executive Director SEATINI and Gabriel Guma Moderator at the dialogue



Mr. Richard Ssewakiryanga- Executive Director-Uganda National NGO Forum, Ms. Jane Nalunga Executive Director SEATINI and Mr. Fred Kawooya actionaid Uganda displaying tax justice placards



Citizens signing as a symbolic call for the president to assent to the Income Tax (Amendment) bill, 2016