

BILLS SUPPLEMENT

to the Uganda Gazette No. 35 Volume CV dated 29th June, 2012.

Printed by UPPC, Entebbe by Order of the Government.

Bill No. 11 *Income Tax (Amendment) Bill* **2012**

THE INCOME TAX (AMENDMENT) BILL, 2012

MEMORANDUM

The object of the Bill is to amend the Income Tax Act, Cap. 340—

- (a) to amend the First Schedule to provide for other listed institutions;
- (b) to amend the Third Schedule—
 - (i) in Part I and Part VI to provide for new income tax rates for individual; and
 - (ii) in Part V to provide for new withholding tax rates for interest and dividends for resident persons

MARIA KIWANUKA,
Minister of Finance, Planning and Economic Development.

THE INCOME TAX (AMENDMENT) BILL, 2012.**ARRANGEMENT OF SECTIONS.***Sections*

1. Commencement.
2. Amendment of First Schedule to Income Tax Act Cap. 340.
3. Amendment of Third Schedule to principal Act.

Japan International Cooperation Agency (JICA)
 Korea International Cooperation Agency (KOICA)
 Kreditanstalt für Wiederaufbau (KfW)
 Norwegian Agency for Development Cooperation (NORAD)
 Swedish International Development Agency (SIDA)”

3. Amendment of Third Schedule to principal Act.

The Third Schedule to the principal Act is amended—

(a) by substituting for Part I the following—

“s. 6(1).

Part I.

Income tax rates for individuals.

1. The income tax rates applicable to resident individuals are—

Chargeable income	Rate of tax
Not exceeding Ushs 2,820,000	Nil
Exceeding Ushs. 2,820,000 but not exceeding Ushs. 4,020,000	10% of the amount by which chargeable income exceeds Ushs. 2,820,000.
Exceeding Ushs. 4,020,000 but not exceeding shs. 4,920,000	Ushs. 120,000 plus 20% of the amount by which chargeable income exceeds Ushs. 4,020,000.
Exceeding Ushs. 4,920,000	(a) Shs 300,000 plus 30% of the amount by which chargeable income exceeds shs. 4,920,000; and (b) where the chargeable income of an individual exceeds shs.120,000,000 an additional 10% charged on the amount by which chargeable income exceeds 120,000,000.

A BILL for an Act

ENTITLED

THE INCOME TAX (AMENDMENT) ACT, 2012

An Act to amend the Income Tax Act Cap. 340 to provide new income tax rates; to provide a withholding tax rates for interest for income derived from government securities and for related purposes.

BE IT ENACTED by Parliament as follows:

1. Commencement.

This Act shall come into force on 1st July, 2012.

2. Amendment of First Schedule to Income Tax Act Cap. 340.

The First Schedule to the Income Tax Act in this Act referred to as the principal Act is amended by inserting the following items in their alphabetical order—

“Austrian Development Agency (ADA)
Belgian Technical Cooperation (BTC)
Danish International Development Agency (DANIDA)
Department for International Development (DFID)
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
French Development Agency (AFD)
Icelandic International Development Agency (ICEADA)

2. The income tax rates applicable to nonresident individuals are—

Chargeable income	Rate of tax
Not exceeding Ushs. 4,020,000	10%
Exceeding Ushs. 4,020,000 but not exceeding Ushs. 4,920,000	Ushs. 402,000 plus 20% of the amount by which chargeable income exceeds Ushs. 4,020,000.
Exceeding Ushs.4,920,000	(a) shs 582,000 plus 30% of the amount by which chargeable income exceeds Shs. 4,920,000; and (b) where the chargeable income of an individual exceeds shs.120,000,000 an additional 10% charged on the amount by which chargeable income exceeds 120,000,000.

(b) in Part V—

(i) paragraph (i) by inserting immediately after “118” the following—

“excluding interest on government securities”

(ii) by inserting after paragraph (ii) the following—

“(iii) The withholding tax rate applicable for interest payments on government securities to a resident person under section 117 is 20%”

(c) in Part VI by substituting for “1,560,000” the following—

“2,820,000”

2. The income tax rates applicable to nonresident individuals are—

Chargeable income	Rate of tax
Not exceeding Ushs. 4,020,000	10%
Exceeding Ushs. 4,020,000 but not exceeding Ushs. 4,920,000	Ushs. 402,000 plus 20% of the amount by which chargeable income exceeds Ushs. 4,020,000.
Exceeding Ushs.4,920,000	(a) shs 582,000 plus 30% of the amount by which chargeable income exceeds Shs. 4,920,000; and (b) where the chargeable income of an individual exceeds shs.120,000,000 an additional 10% charged on the amount by which chargeable income exceeds 120,000,000.

(b) in Part V—

(i) paragraph (i) by inserting immediately after “118” the following—

“excluding interest on government securities”

(ii) by inserting after paragraph (ii) the following—

“(iii) The withholding tax rate applicable for interest payments on government securities to a resident person under section 117 is 20%”

(c) in Part VI by substituting for “1,560,000” the following—

“2,820,000”