

BILLS SUPPLEMENT

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Bill No. 11

Excise Tariff (Amendment) Bill

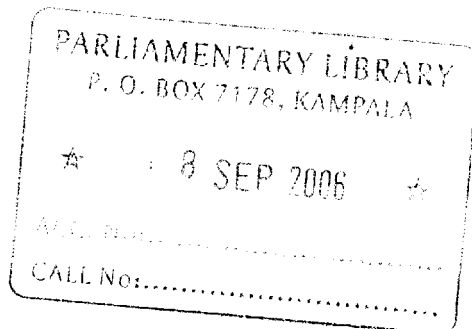
2006

THE EXCISE TARIFF (AMENDMENT) BILL, 2006

MEMORANDUM

The object of this Bill is to provide charging provisions for imposition of excise duty on landlines and public payphones and to replace the Schedules to the Excise Tariff Act, Cap. 338 with one Schedule prescribing all excise tariff rates.

DR. EZRA SURUMA,
Minister of Finance, Planning and Economic Development.



THE EXCISE TARIFF (AMENDMENT) BILL, 2006

ARRANGEMENT OF CLAUSES.

Clause

1. Commencement.
2. Insertion of new section 3AA.
3. Replacement of Schedules to the principal Act.

A BILL for an Act

ENTITLED

THE EXCISE TARIFF (AMENDMENT) ACT, 2006.

An Act to amend the Excise Tariff Act to impose excise duty on landlines and public payphones and to replace the Schedules to the Excise Tariff Act with one Schedule prescribing all excise tariff rates.

BE IT ENACTED by Parliament as follows:

1. Commencement

This Act shall come into force on the 1st day of July, 2006.

2. Insertion of new section 3AA

The Excise Tariff Act, in this Act referred to as the principal Act, is amended by inserting immediately after section 3, the following—

“3AA Imposition of excise duty on air time and talk time

(1) There shall be charged in respect of the provision of air time or talk time for public payphones and landlines, excise duty at the rate specified in Schedule 2 to this Act.

(2) The duty shall be levied on the usage charges, pre-paid or post-paid, charged by telephone service providers for the use of phone services.

(3) The duty shall be collected and paid by the phone service providers licensed by the Uganda Communications Commission established by the Uganda Communications Act, in accordance with the Management Act.

(4) Where no usage fee is charged, or where there is an application to own use by the phone service provider for the purpose of its business activities, the duty shall be charged on the market value of the phone services provided, as if this were a sale in the open market.

(5) The excise duty shall be charged together with the value added tax but the credit input tax allowed under section 28 of the Value Added Tax Act shall not apply to the excise duty.

(6) The taxable value of the usage charges shall be determined in accordance with section 21 of the Value Added Tax Act.

(7) Every phone service provider that collects excise duty under this Act shall lodge a tax return with the Commissioner General on a prescribed form and pay the tax due by the fifteenth day of the following month.

(8) The provisions of the Management Act shall, with necessary modifications, apply to the collection, payment and enforcement of the duty.

3. Replacement of Schedules to the principal Act

The principal Act is amended by substituting for the schedules to that Act the following new Schedule—

“SCHEDULE

<i>No.</i>	<i>Item</i>	<i>Rate of excise duty</i>
1.	(a) Extracts, Essences and concentrates	10%
	(b) Cigars, cheroots, cigarillos containing tobacco	150%
	(c) Soft cup, Regular Size (<70mm Length including the filter)	Shs.19,000 per 1000 sticks
	(d) Soft cup: King Size (>70mm Length including the filter)	Shs. 25,000 per 1000 sticks
	(e) Hinge Lid	Shs. 48,000 per 1000 sticks
	(f) Other	150%
	(g) Smoking tobacco, whether or not containing tobacco substitutes in any proportion	150%
	(h) "Homogenised" or "reconstituted" tobacco	150%
	(i) Other	150%
2.	Beer	
	(a) made from malt	60%
	(b) whose local raw material content, excluding water, is at least 75% by weight of its constituents	30%
3.	Spirits	60%
4.	Wine	
	(a) made from locally produced raw materials	20%
	(b) Other	70%
5.	Waters, including mineral waters and aerated waters, containing sweetening matter or flavoured	13%
6.	Mineral water, bottled water and other water purposely for drinking	10%
7.	Airtime	12%
8.	Landlines and public payphones	5%
9.	Cement	Shs. 500 per 50kg

10. Fuel
 - (a) Motor Spirit (gasoline) Shs. 720/ per litre
 - (b) Gas oil (automotive, light, amber for high speed engine) Shs. 450/ per litre
 - (c) Other gas oils Shs. 450/ per litre
 - (d) Gas oil for thermal power generation to national grid Nil effective 1st March 2006
 - (e) Illuminating kerosene Shs.200/ per litre
11. Cane or beet sugar and chemically pure sucrose in solid form Shs.50 per kg
12. Cane or beet sugar for industrial use 0%
13. Sacks and bags 10%"

(2) For any reference in section 3A of the Excise Tariff Act to Schedule 2 there is substituted a reference to the Schedule”.