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**BILLS****SUPPLEMENT No. 5****30th March, 2023****BILLS SUPPLEMENT***to The Uganda Gazette No. 22, Volume CXVI, dated 30th March, 2023*

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**Bill No. 8***Tax Procedures Code (Amendment) Bill***2023****THE TAX PROCEDURES CODE (AMENDMENT) BILL, 2023****MEMORANDUM**

The object of this Bill is to amend the Tax Procedures Code Act, 2014 to provide for a penalty for the unauthorised interference or tampering with a digital tax stamps machine; to cap the recovery of interest on unpaid tax; to provide for the repeal of section 40A; to provide for a penalty for fixing and activating a tax stamp on a wrong good, brand or volume; and for related matters.

**MATIA KASAIJA, (MP)***Minister of Finance, Planning and Economic Development*



THE TAX PROCEDURES CODE (AMENDMENT) BILL, 2023

ARRANGEMENT OF CLAUSES

*Clause*

1. Commencement
2. Amendment of Tax Procedures Code Act, 2014
3. Amendment of section 39 of principal Act
4. Insertion of section 40D in principal Act
5. Amendment of section 42 of principal Act
6. Insertion of section 62H of principal Act



A Bill for an Act

ENTITLED

**THE TAX PROCEDURES CODE (AMENDMENT) ACT, 2023**

**An Act to amend the Tax Procedures Code Act, 2014 to provide for a penalty for the unauthorised interference or tampering with a digital tax stamps machine; to cap the recovery of interest on unpaid tax; to provide for the repeal of section 40A; to provide for a penalty for fixing and activating a tax stamp on a wrong product, brand or volume; and for related matters.**

BE IT ENACTED by Parliament as follows:

**1. Commencement**

This Act shall come into force on 1<sup>st</sup> July, 2023.

**2. Amendment of Tax Procedures Code Act, 2014**

The Tax Procedures Code Act, 2014 in this Act referred to as the principal Act is amended in section 19B by inserting immediately after subsection (6) the following—

“(6a) A person who makes an unauthorised interference to, or tampers with, a digital tax stamps machine commits an offence and is liable, on conviction, to a fine not exceeding one thousand five hundred currency points or imprisonment not exceeding ten years.”

**3. Amendment of section 39 of principal Act**

Section of 39 of the principal Act is amended by inserting immediately after subsection (3) the following—

“(4) For the avoidance of doubt, where interest due and payable under a tax law as at 1<sup>st</sup> July, 2017 exceeds the aggregate of the principal tax and the penal tax, the interest in excess of the aggregate is waived.”

**4. Insertion of section 40D to principal Act**

The principal Act is amended by inserting immediately after section 40C the following—

**“40D Waiver of interest on payment of principal tax**

(1) The Commissioner shall waive the payment of interest and the penalty by a taxpayer, where the taxpayer voluntarily pays the principal tax outstanding at 30<sup>th</sup> June, 2023, by 31<sup>st</sup> December, 2023.

(2) The Commissioner shall waive the payment of interest and the penalty by a taxpayer on a pro-rata basis, where the taxpayer voluntarily pays part of the principal tax outstanding at 30<sup>th</sup> June, 2023, by 31<sup>st</sup> December, 2023.”

**5. Amendment of section 42 of principal Act**

Section 42 of the principal Act is amended by inserting immediately after subsection (3) the following—

“(4) Where a taxpayer fails to provide the information requested under this section, the taxpayer shall not be allowed to provide that information at objection to a tax decision or during alternative dispute resolution procedure proceedings.”

**6. Insertion of section 62H of principal Act**

The principal Act is amended by inserting immediately after section 62G the following—

**“62H. Fixing tax stamp on wrong goods, brand or volume**

A taxpayer who fixes and activates a tax stamp on a wrong good, brand or volume other than a good, brand or volume for that tax stamp commits an offence and is liable, on conviction, to a fine not exceeding five hundred currency points or imprisonment not exceeding three years or both.”