

ACTS SUPPLEMENT

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Act 4

Income Tax (Amendment) Act

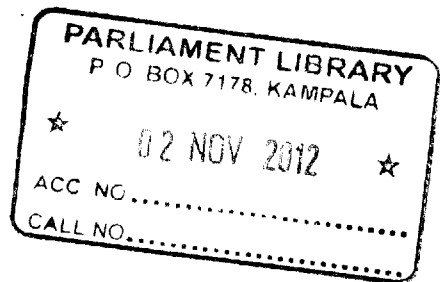
2012

THE INCOME TAX (AMENDMENT) ACT, 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.



THE INCOME TAX (AMENDMENT) ACT, 2012

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

DATE OF ASSENT: 26th September, 2012.

Date of Commencement: See section 1.

BE IT ENACTED by Parliament as follows:

1. Commencement.

This Act shall be deemed to have 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)

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) Ushs 300,000 plus 30% of the amount by which chargeable income exceeds Ushs. 4,920,000; and (b) where the chargeable income of an individual exceeds Ushs.120,000,000 an additional 10% charged on the amount by which chargeable income exceeds Ushs. 120,000,000.

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) Ushs. 582,000 plus 30% of the amount by which chargeable income exceeds Ushs. 4,920,000; and (b) where the chargeable income of an individual exceeds Ushs.120,000,000 an additional 10% charged on the amount by which chargeable income exceeds Ushs. 120,000,000.

(b) in Part V—

(i) paragraph (1) by inserting immediately after “118” the following—

“excluding interest on government securities”

(ii) by inserting after paragraph (2) the following—

“(3) 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”