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This subject please quote No.

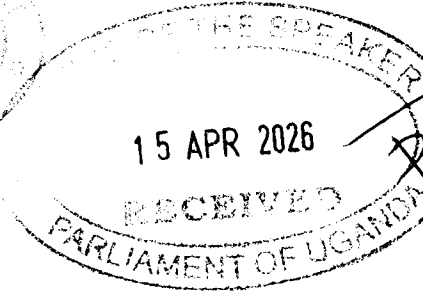


Ministry of Finance, Planning &  
Economic Development,  
P.O. Box, 8147  
Kampala, Uganda

TPD 280/316/03

April 2, 2026

The Rt. Hon. Speaker  
Parliament of Uganda  
**KAMPALA.**



### **WAIVER OF OUTSTANDING PAYE ARREARS FOR THE DIOCESE OF NORTHERN UGANDA**

Pursuant to Section 43(1) of the Tax Procedures Code Act Cap 343, Uganda Revenue Authority (URA), vide letter Ref: URA/CG/10.0 dated January 08, 2025 (copy attached), has recommended waiver of PAYE arrears amounting to **UGX. 88,897,200** owed by the Diocese of Northern Uganda, on grounds of financial difficulties.

Section 43(2) of the Tax Procedures Code Act Cap 343, provides that where a taxpayer's case is referred to the Minister by URA and the Minister is satisfied that the tax due cannot be effectively recovered, the Minister shall, with the approval of Parliament, remit in whole or part the tax payable by the taxpayer. This Ministry is satisfied with URA's submission that the tax due, as highlighted above, cannot be effectively recovered.

The purpose of this letter is to seek Parliament's approval to waive the aforementioned tax liability, in accordance with the law.

Matia Kasaija (MP)  
**MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT**

c.c. The Clerk to Parliament, The Parliament of Uganda

c.c. The Bishop, Diocese of Northern Uganda

DC/PA:  
Please handle  
ECP

#### **Mission**

*"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"*



Uganda Revenue Authority  
DEVELOPING UGANDA TOGETHER

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URA/CG/10.0

January 08, 2025

Permanent Secretary/Secretary to the Treasury  
Ministry of Finance, Planning and Economic Development  
P O Box 8147  
**KAMPALA**

**REQUEST FOR A WAIVER OF INTEREST ON PAYE ARREARS –  
THE DIOCESE OF NORTHERN UGANDA.**

Reference is made to the client's letter dated 22<sup>nd</sup> November 2023 on the above subject. *(Copy attached)*.

Uganda Revenue Authority (URA) takes cognizance of the concerns raised in the aforementioned correspondence regarding the need to support The Diocese of Northern Uganda and the financial challenges they face barring the taxpayer from settling the outstanding PAYE arrears. The taxpayer requested for waiver of the outstanding PAYE arrears amounting to UGX 88,897,200.

In the meeting held with the taxpayer on 17<sup>th</sup> October 2024 the taxpayer stated that they face financial hardships which include the dwindling opportunities and support from the donors and diocesan Christians.

The taxpayer further stated that the PAYE liability arose from payments to technical staff on the 2 projects of Ajura and Okwero which closed in 2013. The projects were in support of the diocesan programs on reconciliation and peace dialogue in Northern Uganda following the activities of LRA war. The Diocese through collections from the Christian congregants paid up the principal tax liability amounting to UGX 67,283,957 leaving interest amount of UGX 55,469,907.

The URA team has reviewed the financial statements of the taxpayer and established that;

- a) The diocese is experiencing a decline in revenue which is mobilized from contributions from parishes, Christian congregants, schools and other donations and projects.
- b) There is a downward trend in the reported surplus between the years 2018 and 2020 which further dropped into a deficit.
- c) The review of the bank statements reflects that the diocese is indebted to the financial institutions.

All the above is indicative of the financial hardship by the diocese.

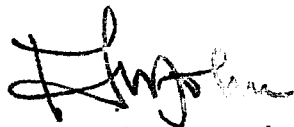
Section 43(1) and (2) of the Tax Procedures Code Act (TPCA) 2014 grants the Minister with approval of Parliament, the prerogative to waive in whole or in part a tax, upon recommendation by the Commissioner General if the Commissioner General is of the opinion that the whole or any part of the tax due cannot be effectively recovered by reason of hardship, impossibility, undue difficulty or excessive cost of recovery.

#### **Recommendation**

Having analyzed the grounds upon which the waiver of PAYE arrears is sought, we recommend waiver of the outstanding PAYE arrears for The Northern Uganda Diocese amounting to **UGX 114,650,694** comprised of principal tax of **UGX 59,180,787** and interest of **UGX 55,469,907** in accordance with Section 43(1) and (2) of the TPC Act.

The diocese had already paid the principal PAYE liability of UGX 67,283,957 by June 2017 and therefore Section 47A of the TPC could not be applicable to them.

**"Developing Uganda Together"**



**John R. Musinguzi**  
**COMMISSIONER GENERAL**

Copy: Commissioner Domestic Taxes; Uganda Revenue Authority

The Diocese of Northern Uganda