



PARLIAMENT OF UGANDA

PARLIAMENTARY DEBATES

(HANSARD)

OFFICIAL REPORT

FIFTH SESSION - THIRD MEETING

TUESDAY, 21 APRIL 2026



PARLIAMENT OF UGANDA
IN THE PARLIAMENT OF UGANDA

Official Report of the Proceedings of Parliament

FIFTH SESSION - 8TH SITTING - THIRD MEETING

Tuesday, 21 April 2026

Parliament met at 10.01 a.m. in Parliament House, Kampala.

PRAYERS

(The Speaker, Ms Anita Among, in the Chair.)

The House was called to order.

COMMUNICATION FROM THE CHAIR

THE SPEAKER: Honourable members, I welcome you to this morning's sitting. As you are aware, Parliament is currently in a sorrowful state, following the untimely and sudden death of our beloved colleague, the Woman Member of Parliament of Kalangala, Hon. Nakimuli Helen. Words cannot explain the pain and grief that we feel, but we count on the Almighty Lord, who promises to renew our strength for all those who keep their faith and hope in him; Isaiah 40:31.

On behalf of the Parliament of Uganda and on my behalf, I convey our heartfelt condolences to the bereaved family, the people of Kalangala, National Unity Platform, the Orthodox Church, and the people of Uganda at large. I remember, we only had two Orthodox Members; Hon. Nakimuli and Hon. Ssekikubo.

The funeral programme for the late Hon. Helen Nakimuli, the former District Woman Representative of Kalangala and the Woman-elect of Kalangala, is as follows: Tuesday, 21st, a special session of the Kalangala District Council and a public viewing. The body will

be taken to the funeral home this evening upon arrival from Kalangala via Masaka.

On Wednesday, the body will be moved to Parliament for public viewing. The body will be here at 10.00 a.m. Please come and join us to receive our beloved friend, sister, and colleague. I have always said today it is her, tomorrow it is somebody else. At 2.00 p.m., we shall have a session in the House.

The body will be moved to Namungoona thereafter. On its way, it will pass via the NUP offices. On 23rd April, Thursday, there will be a funeral service at Namungoona Orthodox Church, and burial will take place at their ancestral home in Luwero District.

The Parliament of Uganda stands in solidarity with the bereaved family and the people of Kalangala District. We honour the legacy of the dedicated legislator and the tireless advocacy for her people. Last Thursday, she was here submitting. None of us knew that she would be gone too early like that. May her soul rest in eternal peace. May we stand up and observe a moment of silence.

(Members rose and observed a moment of silence.)

THE SPEAKER: Presidential candidate, you are welcome. Honourable members, in a bid to provide a way and means of financing the Government expenditure plan for the next financial year, this week we will consider the Tax and Revenue Bills pursuant to Rule 157 of the Rules of Procedure of Parliament.

In addition, as I guided last week, the House expects all committees to have the pending Bills reported to the House during this week. The relevant chairpersons are accordingly notified. The Government is equally notified that we are ready for your Bills. Thank you for coming, and have a fruitful deliberation.

10.08

THE LEADER OF THE OPPOSITION (Mr Joel Ssenyonyi): Madam Speaker, I join you and colleagues in commiserating with the family of Hon. Helen Nakimuli, Woman Representative for Kalangala. It is shocking and devastating news. We hope that the family and all those who knew and loved her can find comfort during this time. It is a good thing that tomorrow, we shall have a session to pay tribute to her. Maybe we will get a chance to say a lot more about Hon. Helen and everything surrounding her passing, but we do commiserate with the family and all the other entities she belonged to. We look forward to that tribute session tomorrow to say a lot more.

Away from that, I seek your procedural guidance on the Protection of Sovereignty Bill, which was read for the first time, and you referred it to the two relevant Committees of Defence and Internal Affairs, as well as the Legal and Parliamentary Affairs Committee, for processing. At the end of last week, as we went into the weekend, we saw a communication from the Office of the Clerk to Parliament inviting the public to provide input on this Bill.

A number of us are interested in sharing our views. I wrote to the committee on Monday, because we could not do so over the weekend when the communication came out. The joint committee is yet to sit and embark on getting input from the different stakeholders. Meetings have not kicked off yet, but I got a bit confused when I saw on the Order Paper that the Bill had been scheduled for second and third reading. I was left in abeyance because the committee -

THE SPEAKER: Honourable, that is our work plan.

MR SSENYONYI: If I could finish raising the issue. I thought it would be good to get that

guidance because when we see it on the Order Paper for second and third reading, meanwhile, committee meetings have not kicked off - we have not shared because it is a critical Bill -

THE SPEAKER: We are putting all the things that we are to cover on the Order Paper so that they know that they have to work.

MR SSENYONYI: It is good coming from you, but I will hasten to add that you remember we were here with the Uganda Peoples Defence Force (Amendment) Bill, and Interparty Organisation for Dialogue (IPOD) Bill, and I raised similar issues to say, let us give time for stakeholders, and that time was not accorded. I got concerned seeing a similar trend of events. That is why I am raising it so that there is proper guidance on how we get to move. Thank you.

THE SPEAKER: Honourable, there was also a submission from the Uganda Bankers Association. I hope you got it.

10.12

MR WILSON KAJWENGYE (NRM, Nyabushozi County, Kiruhura): Thank you, Madam Speaker. Yes, we received communication from the Uganda Bankers Association and another communication from Global - these are Ugandans in the diaspora submitting, and a lot more people agree that it is generating interest. As you guided, we are ready to take in all communications pertaining to the Bill. We are open. Leader of the Opposition, you are most welcome. As soon as we begin, you can come and present before the committee.

THE SPEAKER: Where you cannot afford to have people abroad, you can do a Zoom meeting. Yes, Government?

10.12

THE GOVERNMENT CHIEF WHIP (Mr Hamson Obuga): Madam Speaker, I rise under your communication for and on behalf of the National Resistance Movement within and out of Parliament to convey our heartfelt and deepest condolences to the family, the people of Kalangala, the National Unity Platform Party, the Parliament of Uganda, and the

sports fraternity of Uganda upon the untimely demise of Hon. Helen Nakimuli, the Member of Parliament and Member of Parliament-Elect for Kalangala District.

On our side, we are equally ready to pay tribute to this patriot and nationalist who equally distinguished herself while serving in Parliament. Even before joining Parliament, she had distinguished herself as a national sports personality, and when she entered Parliament, she continued to be a multi-talented sportswoman. We pray that the Almighty receives her and rest her soul in eternal peace. I submit.

THE SPEAKER: Thank you, Government. Are there any matters of national importance? In their absence, can we now go to the next item?

BILLS SECOND READING

THE VALUE ADDED TAX (AMENDMENT) BILL, 2026

THE SPEAKER: Honourable members, you recall that on Wednesday, 1 April 2026, the Minister of Finance, Planning and Economic Development tabled eight Tax and Revenue Bills pursuant to Article 152(1) and (2) of the Constitution of the Republic of Uganda, 1995 and Section 7 of the Public Finance Management Act, 2015 and Rule 134(1) and (2) of the Rules of Procedure.

The Bills were referred to the sectoral Committee on Finance, Planning and Economic Development. The committee considered them and is ready to report back. Pursuant to Rule 136 (1) of the Rules of Procedure, I invite the Minister of Finance, Planning and Economic Development to move a motion for the Second Reading of the Bills. Thereafter, the chairperson will present the report to the Floor.

10.17

**THE MINISTER OF STATE FOR
FINANCE, PLANNING AND ECONOMIC
DEVELOPMENT (GENERAL DUTIES)**

(Mr Henry Musasizi): Thank you, Madam Speaker. I beg to move a motion that the Value Added Tax (Amendment) Bill, 2026, be read for the second time.

THE SPEAKER: Is it seconded? (*Members rose*) It is seconded by Hon. Obua, Hon. Gabriel, Hon. Kateshumbwa, Hon. Amos, Hon. Pamela, Hon. Maxwell, Hon. Edakasi, Hon. Grania, Hon. Odoi, Member representing Older Persons, Hon. Silwany, Lt Col Alanyo, Hon. Kasolo and Hon. Onekalit. Please justify your motion.

MR MUSASIZI: The purpose of the Value Added Tax (Amendment) Bill is to make a few changes in the VAT law to make it fairer, simpler and more effective. The Bill proposes to limit VAT withholding to cases where a designated payer buys goods or services but is not given an electronic invoice or receipt.

The Bill also proposes to increase the VAT registration threshold from Shs 150 million to Shs 250 million. The Bill proposes to add the Arab Bank for Economic Development in Africa to the list of recognised international organisations. It also proposes to exempt goods and services supplied to contractors and subcontractors involved in nuclear energy projects.

The Bill further proposes to support the tourism sector by allowing developers to claim VAT on construction costs before they begin operations. Overall, the proposed changes are meant to improve tax compliance, support business growth, attract investment and make the VAT system work better for the economy.

Madam Speaker, with this justification, I beg that the House considers and passes the Value Added Tax (Amendment) Bill, 2026, into law. I submit.

THE SPEAKER: Thank you. Committee Chairperson, can you now present a report?

REPORT OF THE COMMITTEE ON
FINANCE, PLANNING AND ECONOMIC
DEVELOPMENT ON VALUE ADDED TAX
(AMENDMENT) BILL, 2026

10.21

**THE CHAIRPERSON, COMMITTEE ON
FINANCE, PLANNING, AND ECONOMIC
DEVELOPMENT (Mr Amos Kankunda):**

Madam Speaker, as you have said, these Tax proposals were tabled in Parliament and forwarded to the committee for consideration. The committee hereby reports.

The Value Added Tax (Amendment) Bill, 2026, was read for the first time on the 1st of April 2026 by the state ministry for finance. The minister also laid a Certificate of Financial Implications, indicating that the expected revenue gain is approximately Shs 353 billion annually.

The committee scrutinised the Bill in accordance with Rule 135(2), (3) and (4) of the Rules of Procedure and now begs to report.

Allow me to go straight to the committee's observations. However, I would like to put it on record that we captured the object of the Bill as well as the methodology. We reviewed a number of documents and interacted with the public in several meetings.

For the record, we met with:

- i) Ministry of Finance, Planning and Economic Development;
- ii) Uganda Revenue Authority;
- iii) Private Sector Foundation Uganda;
- iv) PricewaterhouseCoopers;
- v) Uganda Bankers' Association;
- vi) Justice Alliance Uganda;
- vii) Uganda National Traders Alliance;
- viii) Uganda Manufacturers' Association;
- ix) Uganda Hotel Owners' Association;
- x) Institute of Certified Public Accountants of Uganda;
- xi) The Kampala City Traders Association;
- xii) Civil Society Budget Advocacy Group;
- xiii) Uganda Insurers Association;
- xiv) Uganda Alcohol Policy Alliance;

- xv) Uganda Advertising Association, National Association of Broadcasters and Uganda Media Owners Association;
- xvi) Federation of Small & Medium-Sized Enterprises; and
- xvii) MTN Uganda Limited.

The committee observes and recommends as follows:

Disapplication of VAT where a designated person is issued an e-invoice and e-receipt

Clause 2 of the Value Added Tax (Amendment) Bill, 2026 seeks to insert a new subsection after section 5(6) to disapply this section from a designated person where the designated person pays for taxable supplies and is issued with an e-invoice and e-receipt in accordance with Section 92 of the Tax Procedures Code Act. Section 92 of the Tax Procedures Code Act provides for electronic receipting and electronic invoicing.

The ministry indicated that, currently, certain taxpayers - typically large businesses - are appointed as withholding agents. Whenever they pay for goods and services, they must withhold six per cent out of the 18 per cent VAT and remit it directly to Uganda Revenue Authority.

This applies even where the supplier has issued a valid electronic invoice. As a result, the supplier receives only 12 per cent VAT instead of the full 18 per cent, which creates cash flow challenges. In such cases, the supplier will receive the full VAT amount because URA can already track the transaction electronically.

The committee observed that:

- i) The amendment promotes the use of the Electronic Fiscal Receipting and Invoice System (EFRIS); and
- ii) With the proposed amendment, the supplier will now have a full 18 per cent VAT, thereby addressing the prevailing cash flow challenges.

The committee recommends that clause 2 of the Bill be adopted.

Increase in annual VAT registered threshold

Clause 3 of the Bill seeks to amend section 7(2) of the principal Act, which provides that the annual VAT registered threshold is Shs 150 million. The proposed amendment seeks to increase the threshold to Shs 250 million.

The ministry informed the committee that the current threshold has not changed since 2015 despite the escalation of prices and growth of business activity. As a result, many small businesses are required to register for VAT, file monthly returns and often hire accountants, which is costly and time-consuming.

In practice, most businesses earning between Shs 150 and 250 million contribute only 3 per cent of the total VAT collected. Many of these businesses report no VAT payable or claim refunds, which requires URA to carry out time-consuming audits.

The committee, therefore, observed that:

- i) The increase in the VAT threshold will shift the focus for tax administration to businesses earning Shs 250 million, making it easier for URA to administer VAT;
- ii) This proposal aligns with the Government policy of easing compliance costs and pressures on small and medium-sized SMEs; and
- iii) The amendment allows URA to focus on high-yield taxpayers, thus improving its efficiency.

The committee, therefore, recommends that clause 3 of the Bill be adopted.

Credit to the developer of a hotel or tourism facility

Clause 4(a) proposes to amend section 28 of the principal Act to allow credit for input tax for a taxable person who develops a hotel or tourism facility and invests at least \$10

million for a foreigner and \$5 million for a citizen, on condition that the supply occurred not more than two years prior to the date of commissioning the hotel or tourism facility.

The proposed amendment to insert subsection (3)(b) will only apply in respect of the civil works services to conduct a feasibility study, design, construction services, or locally produced materials for the construction of premises, infrastructure, machinery and equipment or furnishing and fitting, which are not available on the local market.

The proposed insertion of subsection (3)(c) clarifies that developing a hotel or tourism facility applies only to that specific hotel or tourism facility and does not apply to other developments or businesses of a taxable person.

Clause 4(b) proposes to amend subsection (4) to provide an input tax credit under subsection (3)(a) arising on the date of commissioning the hotel or tourism facility.

According to the ministry for finance, developers will be able to recover more of the VAT they pay, making it easier and cheaper to invest in large tourism projects and improving the quality of tourism facilities in Uganda. Currently, a hotel developer can only claim VAT on construction costs incurred within six months before the hotel opens.

The ministry further indicated that large hotels often take about two years to build, and, therefore, any VAT paid before the six-month period cannot be claimed and becomes a cost to the developer, making the projects more expensive. For example, if a developer spends Shs 10 billion on construction over two years and pays VAT along the way, they can only claim VAT from the last six months. The rest is lost as a cost.

This change ensures that VAT does not become an extra cost to a VAT registered business, which is the basic principle of VAT. It reduces the overall cost of building hotels and makes Uganda more attractive to investors.

Clause 4(c) of the Bill intends to amend section 28(6) to provide that a taxable person under this section shall not qualify for input tax credit in respect of a taxable supply for input of software.

Clause 4(d) proposes to insert a new subsection indicating that section 28(6)(f) on software shall only apply to imported software.

In regard to software, the minister for finance explained that the amendment makes it clear that software, no matter how it is delivered, should be treated as a service. As a result, if VAT is charged at customs on a physical device carrying the software, that VAT cannot be claimed as a credit.

For example, if a company imports software on a flash disc and pays VAT at the border, it will no longer be allowed to claim that VAT as input tax. This change provides clarity, ensures that software is taxed correctly as a service, and prevents businesses from claiming VAT credits that were not intended under the law.

The committee observed:

- i. The amendment aligns with the Government's ten-fold growth strategy to promote agro-industrialisation, tourism, mineral development, and investment in science and technology (ATMS);
- ii. The requirements under the proposed amendment for the developer to use locally produced raw materials promoted local content; and
- iii. Ideally, both software and the devices on which the software is installed are expected to be charged VAT. However, in practice, taxpayers declare a device and not the software, hence paying VAT for only the device. Consequently, there is a loss of VAT chargeable on the software. The amendment seeks to address this gap.

The committee recommends as follows:

- i. Clause 4(a) of the Bill be adopted with an amendment to reduce the threshold for a citizen from \$5 million to \$1.5 million.

- ii. Clause 4(b), (c) and (d) of the Bill be adopted.

4.4 Due Date for payment of tax

Clause 5 of the Bill seeks to substitute Section 32(7) of the principal Act by including the terms and conditions for inputs for the mining sector as part of the items to be prescribed by the minister, by regulation. Section 32(1) provides for when the tax payable under this Act is due and payable.

The committee observed that the amendment seeks to give the minister the power to prescribe, by regulation, when taxes on inputs for the mining sector shall be due and payable.

The committee recommends that clause 5 be adopted.

4.5 Interest on overpayments and late refunds

Clause 6 of the Bill intends to amend the threshold to allow a taxpayer an interest on a delayed VAT refund. Section 36(3) of the principal Act provides that where the Commissioner-General, after conducting an investigation of any amount shown as an excess in terms of Section 34(1) finds that the excess amount of the input tax credit is greater than the true amount due, the excess of not less than Shs 50,000, no interest shall be payable under subsection (2), where there has been a delay in making the refund. Section 34 provides for the refund of the overpaid tax.

Section 34(1) provides that if, for any tax period, the input tax credit of a taxable person exceeds the tax liability of that person for that period, the Commissioner-General shall refund him or her the excess within one month of the due date for the return for the tax period to which the excess relates or within one month of the date when the return was made, if the return was not made by the due date.

The Ministry of Finance, Planning, and Economic Development explained that this position has not changed since 1996. The fixed amount is now proposed to be replaced by a percentage. The amendment proposes to

change when a taxpayer can earn interest on the delayed VAT refund. It increases the threshold of the acceptable variance between the claimed amount and the final verified payable amount from the fixed Shs 50,000 to 5 per cent of the refund amount.

Currently, if a taxpayer applies for a VAT refund and URA approves a slightly lower amount, the taxpayer may lose the right to interest if the difference between what they claimed and what is approved is more than Shs 50,000. Under the current law, the taxpayer would not receive interest even if the refund delays and the delay was not their fault.

The committee observed that the amendment intends to ensure that there is fair application of interest on overpayments and late refunds by URA.

Therefore, the committee recommends that clause 6 of the Bill be adopted.

4.6 Refund of tax for use of electronic receipt or invoice

Madam Speaker, Clause 7 of the Bill proposes that where a person other than a taxable person purchases goods or services from a taxable person and is issued with an electronic receipt or invoice or several electronic receipts and invoices worth Shs 2 million within a period of 30 consecutive days, the person shall be entitled to a refund of 5 per cent of the tax. The threshold is proposed for reduction from Shs 5 million in the current law to Shs 2 million.

The ministry indicated that, currently, a person who is not registered for VAT can only qualify for a refund if they spend at least Shs 5 million on taxable goods or services within 30 days and receive the Electronic Fiscal Receipting and Invoicing Solution (EFRIS) invoices. They can then claim back 5 per cent of the VAT paid. This rule is meant to encourage customers to ask for electronic receipts so that URA can track transactions.

However, the Shs 5 million threshold is too high for many people, so only a few benefit

from this incentive. The proposed change lowers the threshold to Shs 2 million, making it easier for more people to qualify. This change will encourage more people to demand e-receipts, improve tax compliance and increase transparency in the system.

The committee observes that this amendment intends to encourage the use of EFRIS and thus ease the collection of taxes by URA.

Therefore, the committee recommends that clause 7 of the Bill be adopted.

4.7 Exemption of United Nations-related agencies and specialised agencies from tax

Clause 8 of the Bill seeks to amend Schedule 2 of the VAT Act to exempt the Arab Bank for Economic Development in Africa (BADEA) from payment of VAT and seeks to rename the “Medical Research Council” as the “Medical Research Council”, or “Uganda Virus Research Institute and London School of Hygiene and Tropical Medicine” (MRC/URVI and LSHTM) Uganda Research Unit.

The committee observed that this is to comply with the Government of Uganda’s agreement with BADEA and the nomenclature for the Medical Research Council is also widened under this provision.

The committee recommends that the proposed amendment of Schedule 2 be adopted.

4.8 Exemption of tax for items under Schedule 3

The proposed amendment intends to include nuclear energy as one of the exempt supplies under this Act.

The committee observed that the amendment will promote the Government policy on the development of nuclear energy.

The committee recommends that the proposed amendment be adopted.

In conclusion, the committee recommends that the Value Added Tax (Amendment) Bill, 2026 be passed, subject to the proposed amendments. I hereby submit.

THE SPEAKER: Thank you, Honourable chairperson of the committee. - (*Member rose*) - Do you have a minority report on it? Honourable members, when you have a minority report, you hand it over to the chairperson of the committee so that it forms part of the report.

I am aware there is a minority report that has just been brought here but next time, take it to the chairperson of the committee so that it forms part of the report. Let us first get from the minority - Where is the minority report?

10.41

MR IBRAHIM SSEMUJJU (FDC, Kira Municipality, Wakiso): What you have said, Madam Speaker, is what happens in a normal situation. What we are -

THE SPEAKER: Can you present the minority report.

MR SSEMUJJU: What we are dealing with is – because you are on record, people will think that we delayed. However, even other Members are still looking for the chairman to sign, if you check on our *WhatsApp* group.

THE SPEAKER: But the committee chairperson is in the House.

MR SSEMUJJU: Members are looking for him.

THE SPEAKER: Hon. Nathan.

10.41

MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko): Thank you, Madam Speaker. We would like to seek your indulgence because what is happening with these tax Bills or the laws is very fast. In the process, everything runs very fast, including the minority report you are talking about.

By last night at 2.00 a.m., the Office of the Clerk was still working on reports. I talked to them at that time and they were still at Munyonyo. You can only raise a minority report when you have the total report.

Therefore, Madam Speaker, we seek your indulgence that for today, since you have said we have to bend the Rules, you allow us to bring views even here on the Floor.

THE SPEAKER: No problem.

MR NANDALA-MAFABI: Thank you very much. On that note, I want to just make a quick one -

THE SPEAKER: First, give a chance to your son to present the minority report.

10.42

MR KARIM MASABA (Independent, Industrial Division, Mbale City): Thank you, Madam Speaker. I join you, the family, and the entire country, on behalf of the people of Mbale City, to condole the passing of our colleague. May her soul rest in eternal peace.

We have a minority report and dissent on just two issues. The first issue is on clause 3, section 7. We propose raising the Value Added Tax (VAT) registration threshold from the proposed Shs 250 million to Shs 500 million. We submitted a copy to be uploaded to the Office of the Clerk.

They are proposing to adjust it from Shs 150 million to Shs 250 million, but our view is to adjust it to Shs 500 million. From July 2026, any business earning below Shs 250 million a year will not need to register for Value Added Tax (VAT). The current cut-off is Shs 150 million. We object to this proposal and propose that the VAT threshold be increased.

Madam Speaker, increasing the VAT registration threshold from Shs 150 million to Shs 500 million is a significant fiscal policy that balances revenue collection with the private sector growth. Below are the economic reasons why we propose to increase it:

- i) Reducing administrative and compliance costs. VAT is an expensive tax to manage. Both the Uganda Revenue Authority (URA) and the taxpayers are equally affected in the management of this tax.

First of all, URA manages thousands of small taxpayers who contribute negligible VAT revenue collections. By raising the threshold to Shs 500 million, URA will shift its audit and enforcement focus towards high-yield large and medium taxpayers, thus improving the overall cost of the cost to revenue ratio. This will improve efficiency of VAT administration. Imagine that as of June 2024, Uganda had 36,417 VAT-registered taxpayers, yet over 90 per cent are small businesses contributing only about 3 per cent of the total VAT revenue, with many filing nil returns. This makes URA spread its administrative efforts across many low-yielding taxpayers. There is no point in expanding VAT-registered businesses without a significant revenue increase, which will raise the compliance cost for small businesses and administrative cost for the Government.

On the other hand, for small businesses, complying with VAT requires specialised accounting, the use of Electronic Fiscal Receipting and Invoicing Solution (EFRIS), and regular filing of taxes. For a small business making about Shs 200 million a year, administrative costs can eat up the little profit margin, often exceeding the actual tax liability. The threshold of Shs 150 million per annum was very low, and we strongly believe that even the proposed increment to Shs 250 million is still low.

If you take, for instance, a business that is making annual sales of Shs 150 million, that translates to daily sales of about Shs 410,000. If we compute at the profit margin of about five or 10 per cent, we are looking at a profit of Shs 40,000 a day, without any other business costs put in.

Madam Speaker, many of Uganda's microenterprises hit this target easily. Similarly, a proposal of Shs 250 million per annum threshold is small because it simply

translates to daily sales of Shs 700,000. We believe that this is still small. Our proposal of Shs 500 million threshold per annum translates to approximately sales of Shs 1.4 million daily – *(Interruption)*

MR SILWANY: Madam Speaker, I am looking at the report that has been uploaded. Looking at it critically, first of all, very few members have signed. Secondly, the minutes of the meeting of the committee are not uploaded along with the report. Are we proceeding well with this report without all the details that are supposed to be attached to the report?

THE SPEAKER: Didn't you see the minutes and the report? He is actually thinking about the late Nakimuli. They used to sit next to each other.

MR SILWANY: Madam Speaker, I am on the item that is not there.

THE SPEAKER: It was laid on the Table. You can come and pick mine. Hon. Masaba is raising a very pertinent issue, and I hope that he will give me a cost-benefit analysis. When you have a threshold of Shs 150 million, Shs 250 million and Shs 500 million, how much do we collect?

MR MASABA: Thank you, Madam Speaker. Our proposal of Shs 500 million allows a much larger space for small businesses to re-invest profit and expand their operation without the immediate fear of entering a complex tax bracket that requires an 18 per cent price hike of their goods.

Besides, it will reduce the compliance burden on small businesses as small VAT registered taxpayers are the major cause of refunds, offsets and revenue leakages of VAT.

- ii) Improving cash flow for small business enterprises. VAT is generally a tax on cash flow. Small businesses often have to remit VAT to the Government before they have actually collected payment from their customer or credit sales. By exempting businesses between Shs 150 million and

Shs 500 million, these enterprises can retain more working capital.

In a developing economy like Uganda, where access to affordable credit is limited, this interest-free liquidity is vital for day-to-day operations and survival.

For the record, Hon. Silwany was asking for the minutes. All the witnesses who came before us had requested us to increase it to about Shs 500 million. The Kampala City Traders Association (KACITA) initially proposed that the threshold be increased to about Shs 1 billion. In their meeting with the President, they came to a neutral ground of about Shs 500 million.

Therefore, as committee members who signed this minority report, we were surprised that the committee is instead going with the position that the Ministry of Finance, Planning and Economic Development is proposing instead of the one that all the witnesses agreed to.

Clause IV of the Bill is our second area of dissent. We object to the proposed change in Section 28 of the principal Act. We want to lower the investment threshold and extend the input tax credit window, specifically, the entry barrier for local investors. We are looking at our Ugandans. This section deals with both the foreigners and locals so, our area of dissent is the threshold on investors – (*Interjections*) - yes, under the hotels.

The current threshold of \$10 million for foreigners and \$5 million for citizens is prohibitive for many domestic investors.

Reducing the requirement to \$500,000 for local investors investing in rural areas, and maintaining the committee position of \$1.4 million for those in urban areas, is our proposal. We want to have a different rate for those who are investing in the rural areas.

Madam Speaker, high thresholds favour large multinational chains that often repatriate profits. Lower thresholds empower local enterprises to build facilities that reflect indigenous culture and retain wealth within the

country. For instance, a local investor wanting to build a 20-room eco-lodge in the Sipi Falls or Mount Elgon area may struggle to hit the target of \$5 million or \$1.5 million. However, at about \$500,000, they can afford high-quality construction and modern amenities, qualifying for Value-Added Tax (VAT) relief on building materials and professional services, which significantly lowers their initial sunk costs.

We also want to bridge the gap between rural and urban development. Madam Speaker, most high-end tourism facilities are clustered in urban centres as well as well-established parks, leaving areas that are not yet well-established, like the Mount Elgon Conservation Area, underserved.

By making the rural threshold three times lower than the urban threshold, the Government creates a powerful attraction to invest in these areas. This compensates for the higher logistical costs, transporting materials to remote areas, and the lack of existing infrastructure. Extending the input VAT credit window from two to 10 years is the most appropriate thing, because a hotel is a heavy asset business, including land acquisition, environmental impact assessment, actual designs, and the actual construction of specialised facilities. Two years is rarely enough.

If an investor buys steel and cement in one year but does not open the doors until four years, under the old law, they would lose the ability to offset the VAT paid on these initial materials. Similarly, a resort project in a rural setting might face delays due to seasonal rains or the slow installation of facilities such as power. A 10-year window ensures that the investor can recover their VAT once they start generating taxable sales regarding the construction.

In simple terms, someone who is constructing a hotel can claim VAT on construction materials - currently, it is up to about six months - as long as the hotel is not commissioned yet. If I am building my hotel and I claim VAT, the Uganda Revenue Authority (URA) can only refund it on building materials I bought six months ago. The committee position is for two years. Our

proposal is 10 years because, for example, as a Member of Parliament, I might decide to construct my hotel somewhere, and it might take me five, six, or seven years to construct. As long as the hotel has not yet opened and has not started business, I can claim VAT on all construction materials during the construction period. If you are setting a threshold of \$1.5 million, even for a Member of Parliament, it may take them two terms - about 10 years - to construct a hotel facility. If I am to invest, I need to be given more time to claim, as long as the hotel is not yet opened and is not making any money.

Those are our two areas of dissent and the minority report is signed by me, Hon. Brenda Nabukenya, Hon. Ssemujju Nganda and Hon. Anna Adeke Ebaju. Thank you very much, Madam Speaker.

THE SPEAKER: Thank you, Hon. Karim Masaba. Hon. Nathan Nandala-Mafabi -

10.55

MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko): Madam Speaker, I want to tell the minister for finance not to get worried about the threshold because you can do what we call voluntary registration. It is allowed. If somebody wants to collect or claim their VAT, they can voluntarily register. Even under the Income Tax Act, those who have not been allowed to file tax returns for a turnover of Shs 500 million or less can only pay on the gross amount they are taxed on. Therefore, this is in line with the Income Tax Act.

Madam Speaker, there are two smaller things that I want the minister to help me understand. I deal in fuel. When a motorcycle comes and takes fuel, it pays Shs 1,500. Those pumps do not issue electronic invoices or receipts under the Electronic Fiscal Receipting and Invoicing Solution system (EFRIS). How do you want to manage the businesses that have no capacity to issue EFRIS receipts whenever they make a sale? Why should you penalise them if it is not their own making?

Secondly, Madam Speaker, we are talking about returns on investment. If we want to increase returns on investment, we should promote local investment. To encourage locals to invest, we should make it easier for them to go to rural areas by offering more incentives. I want to agree, first of all, with the minority report on the \$500,000 threshold. If I want to invest in a village in Kotido, how do you encourage me to go there? I should go there with \$200,000 dollars -

THE SPEAKER: Hon. Nandala-Mafabi, you have gone general. I wanted you to cite the clause in your proposal, rather than generalising everything. This is a report.

MR NANDALA-MAFABI: Madam Speaker, on the clause on the EFRIS system (*Hon. Odur rose*) -

THE SPEAKER: Yes.

MR ODUR: Thank you, Madam Speaker. I am seeking your procedural guidance on whether in processing this Bill, we will be guided by the Rules of Procedure of Parliament. If that is answered in the affirmative, that it is the rules and not personal whims or desires of any Member here, then, Madam Speaker, I implore you that we strictly apply the Rules of Procedure. I am going to give you two examples of how we are likely to go in the wrong direction with this very important Bill.

Under our Rules of Procedure, it is expected that once the committee has generated its report, these reports, both majority and minority, are brought here in Parliament and laid. When those reports are laid, all the attendant documents that can inform the decision of Members of Parliament are also laid. Here, we are seeing this report for the first time being laid, and we are required, as legislators, to debate and make a very important decision regarding how Ugandans are taxed, without having full access. I draw your attention, and I kindly ask that Madam Speaker - let me first wait for the Clerk to advise. You can first advise.

Thank you. Madam Speaker, the rule of three days, under rule 215, has not been made in vain. It is made so that the Members can refer and interrogate the submissions that are being quoted here. You have asked whether there is a study report informing the minority report by Hon. Masaba on what its implication is. We have also not seen the study report by the Government on the same. We can only be sure when we have time to look through the submissions of the stakeholders.

THE SPEAKER: Rule 215 is on the dissent from the decision of the majority.

MRODUR: Rule 214 to 215. Rule 214 says that when this report is laid, it will not be debated until after three days. In those three days, one would give those dissenting to the report time to reply, and this would also allow the Members of Parliament to fully appreciate the undertones which took place in the committee where we did not sit. This is about taxation; it is not anything else. That is why the country has found itself, in some circumstances, caught in the middle because we take debating tax Bills casually. I ask that we adhere to the rules. If you accept and agree with me, this report would not be debated now. We would wait for the three days, Members would look through, and I support the honourable commissioner, Solomon Silwany. That is what he was trying to raise – and I thank you because you are coming back to your senses. *(Laughter)* These are the things that we used to raise here.

Madam Speaker, all I am saying is that decisions on taxation have far-reaching consequences that we cannot treat casually. Let the Members of Parliament, who are going to decide, decide something that they can defend.

I know the minister for finance will say they are pressed for time, but this is how this minister has been playing with us. Every time he comes here, he makes a commitment, for example, to bring a comprehensive tax analysis report and the tax policy by the Government. For the last nine years, this minister has been coming here, saying: “We are in Cabinet. You allow us only this year; we shall inform you.” We need to know.

THE SPEAKER: Thank you. Honourable members, we are proceeding very well. The rules we discussed – rule 14 and rule 15 – are not entrenched. Rule 17 allows us to suspend the rules. Hon. Oboth can stand up and move for the suspension of the rules, and we continue.

As I communicated earlier, we do not have time. Some people who lost, for example, Hon. Nandala, have to leave. We are going through a transition. We are transitioning from the 11th Parliament, and we must finish this. In two weeks, we shall have the swearing-in. We must finish this. We can suspend this rule and debate this thing. We will give you ample time to debate. At least one thing you can be sure of is that I am not going to call it off. We will suspend the rules and continue.

Hon. Solomon did not know what he was talking about. He is still suffering from campaign stress. *(Laughter)* The Government Chief Whip – *(Members rose)* I want to hear from the Government.

Yes, we have listened to both the majority and minority reports, which brought very good points. We have also listened to Hon. Nathan. Let us get the procedural matter, and then we will listen to the Minister of Information, Communications Technology and National Guidance.

MR SSEMUJJU: Thank you, Madam Speaker. First, I sympathise with you. By abandoning its work, the government is actually making you do the Government’s work. These are government Bills. The circumstances you have explained are real, as the 11th Parliament is coming to an end. We may not have time. However, this Government – I do not know whether the ministers are scared.

You have Bills that you have brought. You know there is no time. It should not be the Speaker who proposes that we change the rules. One of you should have come here, ready with a motion to suspend the rules. You behave as if you do not live here, and many of you are old MPs.

We have hurried. We were in a hotel when we were writing these things. This minister of finance was supposed to appear to explain certain provisions in the law, but they never appeared. We understood the circumstances. You just make the Speaker and Parliament look ugly.

Things that you know – why don't you come here yourself?

THE SPEAKER: I am not ugly.

MR SSEMUJJU: Madam Speaker, you begin to look bad before the public, as you are the one suspending the rules. There is the whole Government side with professional lawyers, such as Hon. Oboth –

THE SPEAKER: I did not suspend the rules. I only said that the Government is here.

MR SSEMUJJU: You called the Government Chief Whip, and you can see that he does not even know what to do. This is because they never prepare; they just trickle in as if they are going to look after cows.

When the committee sat, we were told that all the ministers for finance, who were supposed to come and explain, had gone to Washington. This should be their responsibility. *(Mr Odur rose_)* I can take information from Hon. Odur.

THE SPEAKER: Honourable members, it is very unfortunate. I had actually proposed that we look at these Bills tomorrow, but we cannot, as we still have to pay tribute to our late colleague. That is equally important for us, as Members of Parliament. However, that does not stop us from proceeding. Let us proceed.

Yes, Government Chief Whip?

11.06

THE GOVERNMENT CHIEF WHIP (Mr Hamson Obuga): Madam Speaker, let me, first, inform Hon. Ssemujju that when you see me perusing through my phone, I want to rise and quote the rule as it is.

I now beg to move under Rule 17 of the Rules of Procedure – lawyers say “a good lawyer is not the one who knows the law, but the one who knows where to find the law”. When you see me touching my phone, I am finding where the law is. Allow me to quote rule 17 for you.

Madam Speaker, Rule 17 of the Rules of Procedure is on the suspension of certain rules that are not – there are rules that are entrenched, and there are rules that are not entrenched. May I get a hard copy – just give me a hard copy *-(Interjections)-* and allow technological advancement.

I am scrolling from rules 17 to 214. Rule 17 states: “*A Member may, with the consent of the Speaker, move that a rule be suspended in its application to a particular motion before the House.*”

You heard the Speaker call the Government Chief Whip, implying that I had notified her, under rule 17(1), that I intend to move this motion.

Madam Speaker, I now move that Rule 214 be suspended in order for the House to proceed to consider the report of the Committee on Finance, Planning and Economic Development on the tax-related Bills, as moved by the Minister of Finance, Planning and Economic Development.

THE SPEAKER: Seconded?

MR OBUA: The justification is that –

THE SPEAKER: I first want to get the secondment before I ask for a justification. *(Members rose_)*

It is seconded by Hon. Oboth, Hon. Okaasai, Hon. Kateshumbwa, Hon. Amos, Hon. Ibanda, Hon. Nekesa, Hon. Alanyo, Hon. Omara, Hon. Obuga, minister for finance, Hon. Grania, Representative of the elderly, Hon. Alex and Hon. Gabriel. Kindly justify.

MR OBUA: Madam Speaker, my justification is on time. The budget for the Financial Year

2026/2027 will not be passed by the 12th Parliament, which takes shape in May, but by the 11th Parliament, whose tenure – you are aware that the swearing-in is on the 13th, 14th and 15th of May. Budgeting is a statutory requirement that has time limitations. So, there is no way this process can move to the next Parliament.

Therefore, Madam Speaker, I move, and my justification is on time. Our rules require that when a report is presented, we debate it after three days. I have therefore moved because the rule under which we are moving is not entrenched.

The justification for why I am saying, under Rule 17, we suspend the provision under 214 that requires three days for this report to be debated. We debate it now, such that the 11th Parliament, which is in transition, can have the opportunity to execute its constitutional mandate of appropriation after the tax Bills are passed or amended. I beg to move.

MR NANDALA-MAFABI: Madam Speaker, the clarification I would like to ask the Chief Whip is: where is it written- (*Interjections*)-no, I have been allowed by him. Where is it written?

THE SPEAKER: Hon. Nathan, there is still one Chair, even when she is your- (*Laughter*). Honourable members, can we first get the justification, then you come? Incidentally, you made a very good submission, and you have my support. Have you finished? I now put the question-

MR NANDALA-MAFABI: Madam Speaker, before you put the question, I would like your indulgence. The reason we are standing is the Chief Whip's justification that Parliament is about to expire.

There was a court ruling that the office will never be empty; you remember when the DP went to court. So, it means, Madam Speaker, under our rules, there is nowhere it is written that a certain Parliament should pass a certain Bill or what. The moment a Parliament is here,

that is a Parliament. It can do any business of the House.

Madam Speaker, that is why we are seeking your indulgence. That justification is wrong. This is what I wanted to put across first, because even the budget we are trying to work on will take effect from 1 July 2026, not immediately in May.

Therefore, Hon. Omara, if you are not aware, I would like to teach you because we are going to leave you here. So we wanted to say that there should be another better justification other than that. We are raising this because we would like the Finance Ministry to seek your indulgence: yes, we have lost a colleague; we are very bitter; we feel bad about our colleague; and tomorrow, we shall be in the House. If you do not mind, we could move this to Thursday or Friday. We will be here. Even if you move on Saturday, we shall be here to work with you so that we add more value because the tax Bills we are passing have a direct implication on all citizens in this country; whether you want it or not.

You see, this Hon. Omara here you are seeing, Stanbic Bank is about to finish him because of loans. He is already one of those who were complaining that he has not got his VAT refund, and whatever. In any case, you will see him here.

THE SPEAKER: Hon. Nathan, your argument is defective. The budgeting process is a consultative process. You are not going to bring new Members of Parliament who have not been part of the process from BFP, ministerial statement, just to pass a budget. Hon. Oboth?

11.14

THE MINISTER OF DEFENCE AND VETERAN AFFAIRS (Mr Jacob Oboth):

Thank you, Madam Speaker. First, it is not prudent for us to sit very early in the morning in this House and try to create the impression that we are casual about national matters.

A person dressed in a suit can never be seen to be casual. A Parliament that usually sits at 2.00 p.m. and is now sitting at 10.00 a.m. is not a casual matter. The future readers of this Parliament's *Hansards* should know that the Speaker was more casual than the statement.

The Government Chief Whip has moved a motion for suspension under Rule 17 successfully. Rule 17 is made in such a way as not to cause a crisis in the House and in the running of business. Rule 17 is to cure matters which are time sensitive in the legislative process. I would only have loved to hear the other side of the presidential candidate and my other friend respond that this is what happens when a motion like that has been moved, the other side can only come and say that what you are citing is not right, this rule 214 is entrenched.

THE SPEAKER: Is entrenched.

MR OBOTH: So that the debate would be around there. But where it is very clear that the justification has been made, this is time-bad. This is not the first Parliament to suspend those Rules. I would really like to appeal to my friend Jonathan to acknowledge that they raised a procedural issue that has now been resolved, so we can move forward.

Rule 17 is to cure. It lists a number of Rules which cannot be suspended. Is 214 one of those rules? That is the question this House can determine, and we proceed.

THE SPEAKER: It is not one of those Rules. Yes, LOP.

11.17

THE LEADER OF THE OPPOSITION (Mr Joel Ssenyonyi): Madam Speaker, I think with respect, our senior colleague, Hon. Oboth Oboth, should not try to short-circuit Members.

Madam Speaker, you have said that the budget process is meant to be a consultative process; we actually agree with you. That is why we are raising concerns to ensure that the whole consultative process happens.

Yes, Rule 17 provides for suspension of Rules because nothing can really, really be cast in stone. But we are saying this budget process, the tax Bills that we are passing have got heavy-sounding ramifications on everyone here, on the population out there. Can we handle it prudently?

I am dismayed that the Government Chief Whip, number one, did not whip his ministers to be available when the committee needed them in good time, and did not whip his members to make sure they were available for all of these processes to happen.

If a committee is saying, Minister of Finance, we require you to be present, and all the ministers are saying we are not available, we are in Washington DC. What was the emergency about being in Washington DC as opposed to being before the finance committee and all the other relevant committees to pass a budget that you are saying and acknowledging is very critical?

So, the exculpation, of time- What you are giving as an excuse of time, please give us another reason. Time should have been managed properly thus far. We knew about this budget. There is nothing that has happened under the sky that has caused us to be in such a hurry. We knew that there was going to be an election. It was going to run up until a particular time. We knew about this budget process.

Therefore, the excuse of time, Madam Speaker, no, let us find another reason so that the people who are watching us out there know that we take our work seriously. As we were planning for the election, we were also planning for the budget process. As we were planning for all those other engagements, we knew about this particular budget process, critical as it is. So, can we get another excuse instead of time?

Madam Speaker, Hon. Odur wanted to give me some information, and, if you allow it, the finance committee head will also provide information.

THE SPEAKER: Let me hear from the chairperson.

MR KANKUNDA: Thank you. First of all, I would like to convey my message to my brother who recently lost a close relative, and I was not able to be with you in my constituency. So-

THE SPEAKER: Is he your constituent?

MR KANKUNDA: He has relatives there, and he is my friend. He lost an auntie who is a family friend. So, I was passing on a message that I was not able to be with him.

However, Madam Speaker and colleagues, I wanted to put it on record that, although it is true that the ministers were engaged in other government activities, we were able, in the circumstances, to share with them our concerns, which is why we are not in disagreement about their absence. We were able to share emails, and they forwarded all these issues -

THE SPEAKER: But you had technical people.

MR KANKUNDA: Yes, and it is on file.

THE SPEAKER: The technical people were there. Honourable members, we have a pending issue on Hon. Obua's motion. We are going to discuss this the whole day -

11.21

MR JONATHAN ODUR (UPC, Erute County South, Lira): Thank you, Madam Speaker, for your indulgence. I am just debating the motion by the Government Chief Whip to suspend, and my debate is totally in opposition to his submission.

First of all, I dismiss his explanation that we are caught up by time - and this is my submission; I want to draw his attention to the fact that rules are not read in isolation. The spirit behind the enactment of a rule, and for the case of Parliament, it is not just the rule; our Rules of Procedure are an equivalent of an Act of Parliament. We just use the term "Rule" for guidance purposes because it is Parliament that directly enacted those provisions.

The first point is how do we then sit here - the people who proposed and wrote this rule are the ones seated here. The reason I want the Government Chief Whip to help me is that I don't know how to find out what transpired in a committee. For me, as a legislator, how do I know what the Uganda Manufacturers Association submitted? How do I know what KACITA submitted? When you just lay the minutes, and then you ask me to debate. The three days were to allow me, a Member of Parliament, to reflect on those. We should not just wish it away because we are in a rush.

Secondly, I would like to reply. Suppose the President, after we have passed this Bill, as he has disagreed in the past, asks Parliament and says that, "I disagree with this provision that Parliament passed," and this Parliament is not sitting. The next Parliament will come. It is not true that only the 11th Parliament must rush to do this thing. We can pass it today, send it to the President, and he says, "I disagree. Take it back". Another Parliament will be here-

THE SPEAKER: Hon. Jona, what is your suggestion then?

MR ODUR: My suggestion was to have all the reports laid today and receive them. That is why, when they were presenting both the majority and the minority, I did not object, and then time was given for us to now interrogate, because if I ask, can we all photocopy these minutes here, since they are not on the iPad? We cannot. We need to be allowed to go to the library, and look at it, interrogate it and when I come here, I can now support the Government position of moving from 150 to 250 with the knowledge that it is coming out of a study that has been done or I can reject the 500 by minority because I see they do not have a strong basis for it. Madam Speaker, I propose-

THE SPEAKER: So, I have two questions now. I will have a question for Hon. Obua on suspension of rules, and then, I will have a question on suspending the session. I will have a question on the suspension of the House for it to be able to accommodate the three days. Is that okay *-(Interjection)-* No. The other one

has moved the motion, and you are also going to move a motion, and I will put the question. Okay?

I put the question subject to Rule 17 on suspension of rules that Hon. Obua has moved the motion that we suspend sub-rule 214 (14) and (15) for the House to proceed with the Tax Bills.

(Question put and agreed to.)

THE SPEAKER: Honourable members, I wish I could advise. We have the reports right here. We have the minority reports here, and you have the goodwill to debate everything. The people who pay taxes are us. Hon. Nandala and I own a petrol station together. When we are talking about this thing, we are all business people.

We are mindful of the taxes out there. Let us discuss this and reach a middle ground, because it also affects us, and we are looking at its impact on the population out there. It is better that we discuss these things and complete them. Where we feel this imposes a tax burden on the population, we will not pass it in the House. I told you from the word go on the issue of taxing Pampers. Do you want us to stop producing? We will not allow it.

MR KANKUNDA: Madam Speaker and colleagues, I would like to give assurance to this august House that we had an opportunity-

THE SPEAKER: I am still giving an example - when I was asked about taxing withdrawal of money, I said, "Do not even bring it to the House" because that is double taxation. You cannot tax me when I am going to withdraw my money, and the bank is also taxing me a commitment fee and a management fee. At the end of the day, you tax the bank on the profits that they have made. Those are the things.

MR KANKUNDA: Madam Speaker and colleagues, I was just reaffirming your comments by assuring honourable colleagues and the entire august House that, as a committee, we have diverse experience and

knowledge among our members. Even when we disagree on some of the issues, we engage, and that is why a minority report is brought on the disagreed positions.

These are things we can engage with here, as you said. I would like to encourage our colleagues to debate these issues here and to reach a common position. I beg to submit.

THE SPEAKER: As I was telling you, the report Hon. Masaba presented was very good. I remember last year, Hon. Kateshumbwa was even proposing what Hon. Karim is proposing today.

11.29

DR KEEFA KIWANUKA (NRM, Kiboga East County, Kiboga): Madam Speaker, I entirely agree with you. Actually, now that we have resolved the first point of suspending Rule 214, and you are allowing a free discussion, that helps to solve the problem.

There are other serious issues which my colleagues on the committee are aware of, which I probably should not mention here but if *-(Laughter)-* we are to go into that, even if we are to suspend the session and lay whatever is available, there are other issues which are not resolved by that. I entirely agree with you that now that we have resolved the first problem of the rule, we should proceed.

THE SPEAKER: Okay, can we debate?

11.30

MR MUHAMMAD NSEREKO (Independent, Kampala Central Division, Kampala): Thank you, Madam Speaker, for your guidance. Since one of the Members is raising issues we do not know about, we shall leave it to them. However, with your indulgence, I would like to bring to light the issue that concerns clause 4 of the Bill, which addresses the amendment of the Principal Act to include Value Added Tax (VAT) on software.

I have a huge passion for technology, and I know it is the only thing that will liberate the African person. It is the only equaliser that we

have for unemployed young innovative people. You might laugh about it, but it has given an edge to emerging economies.

Madam Speaker, we were here last year, and I warned about the same thing; that Uganda Revenue Authority (URA) was going into chartered waters where the achievement would be zero. It is back. Things to do with technology do not lie; they are based on data. Without software infrastructure, there is no progress in innovative technology.

The President, in his State-of-the-Nation-Address and campaign manifesto, talked about Information Communications Technology (ICT) as one of the backbones for developing the economy, for integrating young, innovative people, and for transforming society. We have spent a lot of money on digital transformation, but now we are trying to promote the very same thing that destroys the fabric of digital transformation.

This phone, as a gadget, is hardware. Without software, it is useless. Let us look at the simple things that we use. If a Certificate of Financial Implications was issued as regards this section, because I want to make it as simple as possible for everyone to understand. Who is the biggest consumer of software transformational updates in this economy? It is the payment systems that we are using.

For example, the Government payment system we use is the Integrated Financial Management Information System (IFMIS). The moment you apply a 17 per cent tax on all imported software, we will have to revisit this and adjust the rate accordingly, taking into account the cost of what it is being used to run. At the end of the day, who is going to pay for it? It is the taxpayer again. All the contracts that you have, pre-dated to this, when you pass it, will have to have a revisional clause where you must revise.

I can give you a simple example; we have what we use here in technology called the audio-visual technology. It is not from us. The software keeps this secure and has everything securely protected by the cloud, so that your passwords in Parliament are not broken into

through the software. It is something that is not developed here but rather imported. That would mean any software provider that has a pre-existing contract with Parliament will have to come back to Parliament, sign additional fees, revise this contract, and it will have a financial implication on all of us.

What am I am trying to say, Madam Speaker? That is as regards the Government. Do we need to amend this section to have the double taxation that you have been talking about?

THE SPEAKER: Which Section is that?

MR NSEREKO: Section 28 of the Bill.

THE SPEAKER: You see, that is why I was advising you and the House that we go clause by clause.

MR NSEREKO: No, this is the clause. You are talking of the clause.

THE SPEAKER: Exactly. Let us proceed to the committee stage so we can discuss the clauses one by one to understand them.

MR NSEREKO: Madam Speaker, first hear from me. At the reporting stage, you can give us a detailed and thorough explanation. At the committee stage, you either agree to give away, take, amend, or drop what exists. First, I have to convince the Members of the House that what we are doing is detrimental, because the report says they support it. I must oppose at the reporting stage, then give my justification at the committee stage.

THE SPEAKER: Hon. Nsereko, we will allow you to present all your justifications and amendments if you deem fit.

MR NSEREKO: Madam Speaker, I propose that we leave the status as is, and it may be treated by -

11.35

THE MINISTER OF DEFENCE AND VETERAN AFFAIRS (Mr Jacob Oboth): Thank you, Madam Speaker. The matter that Hon. Nsereko, the ayatollah, the landlord,

the outgoing landlord of Kampala Central, is giving us –

THE SPEAKER: And Team 115.

MR OBOTH: He is giving very useful information, but procedurally, as you have guided, this information - I wonder what kind of arguments he would make when we are at the committee stage. Will he be repeating himself? (*Hon. Ssemujju rose*) I am raising a procedural matter. This is not a matter of Kira.

THE SPEAKER: This is a procedural matter. You mean even up to now, when you are leaving, you do not know the difference? You undress and we see. Hon. Oboth, please continue.

MR OBOTH: I know that Hon. Ssemujju loves me so much. I will also miss him, for the record. I will miss you in this House and you will miss me. (*Laughter*)

THE SPEAKER: The person who will be mostly missed is him for procedural matters, but on legislation, the Member who will be missed is Hon. Jonathan.

MR OBOTH: Yes. My point of procedure, which you have already guided me on - and I want to plead with my honourable colleagues to accept - is that, at this stage, this is a general debate about the principles of the legislation. Now, if you are going to be specific on the clauses, we can only do that successfully when we are at the committee stage. Let us go by the wise guidance of the Speaker so that we move.

THE SPEAKER: Honourable members, do you agree with that? Hon. Jonathan, I want you to debate the clauses.

11.37

MR ODUR JONATHAN (UPC, Erute County South, Lira): Thank you, Madam Speaker. Formally, I now notify you that I will no longer move the motion for adjournment. Having read carefully that the vote may not be in my favour, at the declaration level of the results, given the interest of the Speaker.

I now want to debate on principle. First, there were two concerns about VAT in the country raised by the traders. The first was the threshold, which has been dealt with in the proposal from Shs 150 million to Shs 250 million. They may have other arguments. We have heard that the proposal was to go to Shs 500 million.

The second concern was the rate itself because we know in some countries, including within East Africa, some VAT rates are as low as 16 per cent or even 8 per cent, but I know of at least - I can speak authoritatively of the ones I know - about 16 per cent. In the processing of this Bill, we had expected either the Government or the committee to address us on those concerns.

What is their take on the rate that has been argued? Remember two years ago when the issues of the traders downtown came up, one of the proposals they made was that VAT had to be revised downwards from 18 per cent, and we have not had any report regarding that matter. That is my concern.

The second concern is the justification for raising it from Shs 150 million to Shs 250 million. The committee and the minister premise their argument that 2015 was the last time that the VAT was raised. I have done simple calculations. You have not moved from 2015, because in 2015, Shs 150 million, if you compare to the exchange rate, the USD then was around 3,098. Now, we have about \$ 3,700.

It means for every 1 shilling of that Shs 150 million, we now multiply by Shs 600, which brings us to around Shs 240. I want to dismiss that it is not correct that you have actually improved or raised substantially. What you have done is to equate the value of Shs 150 million of 2015 to its current value, which is Shs 250 million. That is why I agree that, perhaps, the proposal by the minority of revising it way beyond Shs 250 million will have to suffice.

The second point I would like to debate, Madam Speaker, is on the credit allowed by foreigners and Ugandan citizens, under clause 4 –(*Interjection*)- yes, I allow for clarification –(*Interruption*)

MR KANKUNDA: My brother, Hon. Odur, when you propose Shs 500 million as turnover to be the threshold, it gives the impression that this trader is able to make a turnover of Shs 41.5 million in a month.

The clarification I want from you is: how many of these people you are envisaging, given the research or proposal, would fall under that bracket?

MR ODUR: Madam Speaker, if there was any strong justification I was looking for to show that the Government has not done any research at all, it is the submission of the committee chairman. This is exactly what this committee should have done.

My argument - and I want you to get it - is that Shs 150 million of 2015 is exactly Shs 250 million today. So, if your argument is that you are raising the VAT threshold, it should be beyond just compounding it to bring that past value into the present value.

For me, the Shs 250 million now is not any different from the threshold in 2015. That is why I want the Government to explain: are you merely equating it to the Shs 150 million of 2015? That is the point I was raising.

Secondly, I was talking about the distinction between a “foreigner” and a “citizen”, in as far as clause 3 is concerned - the principle itself. I have seen that you want to allow allowable credit and have set \$10 million for foreigners and \$5 million for citizens. Of course, this should worry Ugandans who might soon be called “foreigners”, but I do not want to go into that debate.

However, once you start coming into the law, and we see you are bringing these terminologies between a “foreigner” and a “citizen”, yet we know where we are heading. It should worry those who are living outside.

My point is that Shs 18 billion is not an easy amount for a citizen living here. I find it way too high. If you wish to allow a citizen who is going to construct a hotel within those two

years, think critically. I can ask the same question you have asked me: how many Ugandans will now go into the hotel sector? Certainly, maybe we are very few here, with the exception of a few.

The last one, Madam Speaker, is -

THE SPEAKER: With the exception of - *(Laughter)*

MR ODUR: The last one is for the minister to convince us on why he requires power to vary the terms and conditions, as proposed. Regarding legislation, especially something to do with taxation, I always encourage that Parliament retains its powers 100 per cent, to be able to vary, because we are the ones accountable at the end of it all.

I see that the minister wants to have power over the terms and conditions of payment of tax. Madam Speaker, let me note that these ministers are not readily accessible and do not have a national outlook. I have raised it in the past.

We do not want to give ministers powers to start segmenting a certain portion of society and favouring them by issuing this instrument, yet others are being left out. Let Parliament retain that power to be able to vary it.

THE SPEAKER: Thank you. Honourable minister, even when we talk about looking for revenue, I am also not comfortable with the many waivers that you are asking for. Why are you asking for many waivers? You need to reduce on the waivers, but you can still go ahead and answer what Hon. Odur has asked. *(Hon. Nandala-Mafabi rose)* No, that was a by-the-way.

MR NANDALA-MAFABI: It affects all of us. Madam Speaker, I can at least reach the minister for finance, maybe for a waiver, but I have not asked for.

It is very unfortunate that the people who are getting big waivers are people who have been around, while there are small businessmen

out there who are suffering for lack of –
(*Interruption*)

MR KANKUNDA: My brother, elder and senior, Hon. Nandala, I appreciate your observation. Indeed, it has been a concern of the committee. We have always engaged the ministry and Uganda Revenue Authority.

Without legislating in anticipation, in the Bills that we are handling, you will see how, as the ministry and URA, we have given a blanket of waiver from all the years to 2016 –(*Interjection*)- I was given; I cannot allow –
(*Interruption*)

MR EKANYA: Secretary-General, welcome back from the World Bank. Madam Speaker –

THE SPEAKER: The Secretary-General was in Washington with the minister. So, it should not be said that it was only the minister; they were together.

MR EKANYA: Madam Speaker, the information I am giving the House is that your school imported sports equipment. You had to write letters and call Hon. Matia Kasaija, but the minister for finance refused to give a waiver to Bukedea Comprehensive School for sports equipment.

Why is it that others get waivers easily, yet Madam Speaker cannot get a waiver? What do those people do behind the scenes to get waivers?

MR NANDALA-MAFABI: Madam Speaker, what I was raising –

THE SPEAKER: That is okay. Can we proceed?

Honourable members, I put the question that the Value Added Tax (Amendment) Bill, 2026, be read for the second time.

(Question put and agreed to.)

BILLS COMMITTEE STAGE

THE VALUE ADDED TAX (AMENDMENT) BILL, 2026

Clause 1

THE CHAIRPERSON: Is there no amendment? Committee chairperson, is there no amendment? Does this side have no amendment? (*Hon. Nandala-Mafabi rose*) I told you I would allow you to.

I put the question that clause 1 stands part of the Bill.

(Question put and agreed to.)

Clause 1, agreed to.

Clause 2

THE CHAIRPERSON: Committee chairperson, is there no amendment? I put the question that clause 2 stands part of the –

MR NANDALA-MAFABI: Madam Chairperson, regarding clause 2, on EFRIS, I would like to move an amendment that petrol stations be exempted from EFRIS.

The justification is that if a motorbike person goes to a petrol station and takes a litre of fuel, he pays Shs 3,000 or Shs 5,000, but the pumps which are there cannot issue an EFRIS receipt. If you try to do it, you will maybe combine the sales at the end of the day and issue an EFRIS receipt, maybe in the name of a pump attendant.

A pump attendant will be sought by URA, who has been trading in fuel. Even fuel is exempt from VAT, by the way. The only thing which is there is income tax, which is the total at the end of the year. Also, there is already a tax on every litre of fuel because as soon as you sell, the tax is paid there and then.

Honourable minister, I seek your indulgence.

THE CHAIRPERSON: Can we look at the holistic transactions of the petrol stations? Hon. Nandala is only talking about the motorcycles, but you find that at some petrol stations, like Mandela's place, they have CJ's Restaurants, wheel balancing, wheel alignment, and the like. We are discussing. What do you think?

MR MUSASIZI: Madam Chairperson, I think we need to slowly understand this issue. From what I know, petrol stations are automatically connected to Electronic Fiscal Invoicing Receipting and Invoice Solution (EFRIS). If you are City Oil or Shell, you are automatically in the system.

Also, from what I know, if you buy fuel, you are given a receipt. When I pay using a fuel card, I am given a receipt. My driver shows me a receipt. I know that even if I am to personally – not as a minister but as an individual – buy fuel and I want a receipt, it can be given to me. The question is – because Hon. Nandala-Mafabi is saying it is difficult for *boda boda* riders to account for EFRIS. What are you saying? We need to understand this properly before we make a decision.

MR NANDALA-MAFABI: Honourable minister, do not forget that I am your big brother. When you ask me a question, you must do so with care. *(Laughter)* Madam Chairperson, we are trying to explain that there are many services at a petrol station, and these services are not exempt from Value Added Tax (VAT). For example, if you have wheel alignment or a supermarket, it has a post-sale, and it goes straight on EFRIS, since it is a cash sale.

However, fuel is exempt from VAT to begin with because we already have a tax on it. What happens when somebody comes to take fuel and he is given a litre? He goes off. Your case is different because you already have money deposited on your card. It prints a deduction because they have that mechanism for cards. However, for those without cards, it is not possible. Therefore, at the end of the day, if you are going to issue one EFRIS receipt, you will get the total sales of a pump attendant and issue EFRIS in the name of that pump attendant.

When you issue that receipt in the name of the pump attendant, the Uganda Revenue Authority (URA) will look for the pump attendant who made the sale or purchase. What we want to do is to exempt fuel from day one, like it is, fuel from Shell, from everywhere, as it is. That is what I am trying to explain. What Madam Chairperson raised, like the wheel alignment done at City Oil, those are separate, and they are goods that are *VAT-able*.

THE CHAIRPERSON: Hon. Nandala-Mafabi, when you look at the Tax Procedure Code, Section 92(1) – read it. 516. Let me give you the new one. You are using an old one. Please read it on the microphone.

MR NANDALA-MAFABI: Madam Chairperson, it says, “*A taxpayer may issue an e-invoice or e-receipt or employ an electronic physical device, which shall be linked to a centralised invoicing and receipting system or a device authenticated by the Uganda Revenue Authority*”. That is the post-sale, but on the pumps there is nowhere to put that device, and URA should come and justify. *(Hon. Ekanya rose)*

THE CHAIRPERSON: You have answered yourself by the law.

MR EKANYA: I am seeking clarification, Madam Chairperson. Hon Nandala, I thought the purpose of EFRIS was to track revenue and transactions. Regarding fuel, as of today, only one company imports it: Uganda National Oil Company (UNOC). Anyone who purchases fuel from UNOC must pay cash. URA has a record of picking, and UNOC will not give you fuel on credit. It can trace that petrol station A or company A took these litres of fuel.

Therefore, the inconvenience of creating EFRIS. We have so many young people in Hon. Oboth's constituency. In every centre, they are selling fuel in bottles and so forth, and how will those be? Madam Chairperson, I think the Ministry of Finance, Planning and Economic Development needs to drop this. This is because UNOC and URA collect records from every Operations and Maintenance Centre

(OMC) fuel trader in this country, and taxes are paid instantly.

THE CHAIRPERSON: Honourable, do you want it to remain as it is in the Bill? Because it says, *“this section shall not apply to a designated person under subsection 2 where the designated person pays taxable supplies and is issued with an e-invoice or e-receipt in accordance with Section 92 of the Tax Procedure Code Act”*. What do you want?

MR NANDALA-MAFABI: Madam Chairperson, Hon. Ekanya has raised a very important issue. UNOC supplies Shell fuel. Shell will supply fuel to Hon. Oboth constituent –

THE CHAIRPERSON: How do you want the amendment to be?

MR NANDALA MAFABI: We are looking at Hon. Oboth constituency; this person is selling fuel which has already been given an EFRIS, but for him to be safe before URA comes to penalise him with those big - he must also issue an EFRIS to the boda boda. That is where the problem is. Otherwise, the track is very clear up to Hon. Oboth's person.

Therefore, what we are trying to do is that for that type of business, of bottles and whatever, should not be subjected to EFRIS because it is already accounted for. I do not know if you have understood. I am aware Hon. Kateshumbwa has a petrol station; he knows what I am saying.

THE CHAIRPERSON: Yes, Hon. Katesh?

MR KATESHUMBWA: Madam Chairperson, I do not have a petrol station. I think the main point he is making is that the fuel supply chain is easily monitored and normal. Therefore, the debate should be, do we necessarily need this amendment, given that we have safeguards in terms of monitoring the supply chain of fuel to be able to enforce compliance, and given that there is no VAT on fuel? The minister can look into the merits of this argument, and we can find a middle ground and move forward.

THE CHAIRPERSON: Actually, we do not have an amendment as it is. I am saying the amendment has not been made; it has stayed as it was.

MR MASABA: Madam Chairperson, Hon. Nandala's argument is true, but I do not think it applies to this section because it mainly looks at the large taxpayers, those who withhold 6 per cent. This is coming in to enable whoever is submitting or giving an EFRIS receipt, who is not actually required to withhold 6 per cent of that money. Therefore, it does not apply to this clause, so it stays as it is in the Bill.

MR NANDALA-MAFABI: Madam Chairperson, if you bring a Bill like this and Section 92, which is open, we must -

THE CHAIRPERSON: Honourable Chairperson of Bugisu Cooperative Union (BCU). It says, *“It shall not apply to a designated person under Section 2”*. That is what Hon. Karim...

MR MASABA: Madam Chairperson, the view is, if Hon. Nandala is a designated person and withholds the 6 per cent VAT, but if he issues an e-receipt, then he shall not withhold that 6 per cent because the e-receipt already shows Uganda Revenue Authority(URA) the details of everything that he has submitted on the invoice.

MR NANDALA-MAFABI: Madam Chairperson, this is not the contentious one. It is the situation of Hon. Oboth to issue an e-receipt for a motorcycle. This is where the issue is –

THE CHAIRPERSON: Honourable members, let us look at the amendment. The shadow minister from the other side has accepted that it does not apply. Hon. Masaba, are you in agreement that we maintain as it was?

MR MASABA: Madam Chairperson, the clause should be maintained to prevent people from being required to withhold other people's money, because the Electronic Fiscal Receipting and Invoicing Solution (EFRIS) already shows that.

THE CHAIRPERSON: I put the question that clause 2 stands part of the Bill.

(Question put and agreed to.)

Clause 2, agreed to.

THE CHAIRPERSON: Hon. Nandala, have you seen that even when you go, you are not going to be missed? Hon. Masaba has come in.

MR NANDALA-MAFABI: Definitely, the world is going to use my head. No problem.

THE CHAIRPERSON: A very dangerous substitute. *(Laughter)*

MR NANDALA-MAFABI: He also knows that the world wants my head. Madam Chairperson, I am not deleting this clause; I am maintaining it, but adding that there is no need for an EFRIS at a pump. That is what I am trying to say.

THE CHAIRPERSON: That is operational.

MR NANDALA-MAFABI: URA will come for you, Madam Chairperson.

THE CHAIRPERSON: No, that is operational. You and I own petrol stations. Clause 3?

Clause 3

MR MASABA: In clause 3, the committee proposes something different but in our minority report -

THE CHAIRPERSON: The committee says no amendment.

MR MASABA: We are proposing Shs 500 million, instead of Shs 250 million. This is about the threshold requirement for someone to register for Value Added Tax (VAT), which is being increased from Shs 150 million to Shs 250 million. I justified our minority view, setting it at Shs 500 million instead of Shs 250 million.

THE CHAIRPERSON: What is the Cost-Benefit Analysis(CBA)?

MR MASABA: The committee did not provide for it, but when we look at the documents URA provided, for only 3 per cent that small businesses want to widen.

THE CHAIRPERSON: How much does the Government collect when it is Shs 150 million?

MR MASABA: Those figures were never provided by the minister.

THE CHAIRPERSON: When it is Shs 250 million, how much does it collect?

MR MASABA: The figures were never provided by the finance ministry, so we had -

THE CHAIRPERSON: From you, who is giving a minority report? When it is Shs 500 million, how much does it collect?

MR MASABA: Let the minister first present those figures because our argument is looking at it from a business perspective.

THE CHAIRPERSON: I have another accountant there - Hon. Silas?

MR AOGON: Madam Chairperson, I would like to support my young brother from Mbale. When we lift it to Shs 500 million, we give people an opportunity to plough money back into their businesses, which will stimulate the economy to grow. Therefore, the higher the better. I buy the idea that Shs 500 million would be better for now. Many people are struggling.

THE CAHIRPERSON: The Shs 500 million has a huge revenue collection. Honourable members, we are looking for ways of getting revenue. That is why I am asking: when it is Shs 150 million, Shs 250 million, or Shs 500 million, how much money do we raise so that we can evaluate?

MR MUSASIZI: Thank you, Madam Chairperson. Our proposal is informed by a study that we made looking at three scenarios:

- i) To change the threshold from Shs 150 million to Shs 250 million. This would give us the net revenue of Shs 349.6 billion;
- ii) To raise the threshold from Shs 150 to Shs 300 million. After analysis, this scenario would give us a net revenue of Shs 358.31 billion. We are looking at the parameters like; new revenue, old revenue, revenue gain, productivity and competition loss, as well as revenue from voluntary registration and come up with the figure;
- iii) To increase the threshold to Shs 500 million, which Hon. Karim is trying to defend. This scenario, from our study, results into the net loss of Shs 6.99 billion.

After looking at the three scenarios, we recommend that we take the Shs 250 million scenario for now because it is the best for both the taxpayers and ourselves. We do not want to lose the revenue. I invite Hon. Silas to debate with numbers, not guesswork. Here, let us support our justification with numbers.

MR HERBERT TAYEBWA: Thank you, Madam Chairperson. We need to understand that VAT is an indirect tax. As such, the burden is on the final consumer, not the trader or businessman. We are talking of broadening the tax base.

Therefore, if we set the threshold at Shs 500 million, we shall reduce the tax base. However, if we put it at Shs 250 million, we shall have a wider one. After all, it is the final consumer who takes the burden of the tax, not you, the businessman.

THE CHAIRPERSON: What is your proposal?

MR HERBERT TAYEBWA: My proposal is that we go with Shs 250 because it takes a wider base, which we want to broaden.

MR ODUR: Madam Chairperson, I do not have a definite position on this matter, but I have a question. The minister chose to do a study, and in his reasoning, as he increased the

threshold, he was looking at the revenue. Why didn't you reduce to Shs 100 million or Shs 50 million? Your logic shows that the lower the threshold, the more likely you are to have a wider network. That is why I insist -

THE CHAIRPERSON: The tax collection becomes hard because of the number of customers.

MR ODUR: It should be informed by the report. That is why I insist that a piecemeal study of picking something, then you say you are studying our tax policy, is wrong. There must be a comprehensive study to inform. In fact, he cannot defend the figures he presented here. He just wrote something that if we increase it to Shs 300 million, we get to this. If we increase to Shs 500 million, we get to this. There is no evidence that the study took place. Even if we asked the committee chairperson here to lay his minutes on the Table, it would not be there.

THE CHAIRPERSON: No, the study was done. Hon. Oboth, did you want to put him on order?

MR OBOTH: One thing is very clear from Hon. Jonathan Odur. He said he had no definite position. However, he has belittled ministers on this Floor. I do not know whether it is a particular minister or the ministers generally. At first, he said we do not do research. He needed a study. Now there is a study, he says, it was scribbled.

As it has been stated, the Government knows that there are so many people involved -

THE CHAIRPERSON: Hon. Hanifa, when you say "lay" - this thing is for only accountants - it has been - you see, that is why you see my young son here very active. He must have looked at it and is coming up with a solution - I said, "Hon. Hanifa"

MR OBOTH: Madam Chairperson, the Government is the tax collector. They know the challenges of the informal sector. If they are saying at Shs 250 million - we should be able to

agree with them and not ask them to go below or above. This is supported by the minister and I believe that and - Hon. Nandala, you have been referring to - like my constituency, we do not have such traders. However, I appeal that we move, although you can clarify.

THE CHAIRPERSON: Hon. Karim -

MR NANDALA-MAFABI: Madam Chairperson, I request just one minute. Hon. Oboth, we moved income tax from wherever it was - now it is Shs 500 million - You do not need to file accounts? When you have Shs 500 million, you have to pay a percentage of it.

If that is the direction we are moving in – Shs 500 million, then it will also be good that the same thing is applicable to all taxes, like VAT, also to Shs 500 million. Incidentally, I would like to agree with my brother Hon. Tayebwa when he says that it is the last consumer who pays.

I would also like to ask a question. “If the people who are paying the Shs 500 million are not going to file returns, where is the loss?” Because it means they will be treated as final consumers and the more final consumers you have, the better.

THE CHAIRPERSON: Hon. Herbert - (*Hon. Otimgiw rose*)

Okay, Hon. Isaac, you can start because I know -

MR OTIMGIW: Thank you, Madam Chairperson. I see the argument of Hon. Masaba because he is trying to look at the bigger picture of the SMEs. If we actually reduce the tax compliance costs for SMEs, then we are boosting business where the Uganda Revenue Authority will, in turn, collect that revenue in other ways. Therefore, what he is trying to raise makes a bit of sense – to increase the threshold to Shs 500 million in terms of boosting the SMEs and increasing the tax -

THE CHAIRPERSON: But have you looked at the cost-benefit analysis on the taxes that will be collected? It will be a loss. That is according to the study.

MR OTIMGIW: Madam Chairperson, we are looking at the bigger picture. Yes, the VAT collection will reduce here but they will be in the growth that we are giving the SMEs, revenue will increase, at a higher cost

THE CHAIRPERSON: Okay. Hon. Herbert –

MR HERBERT TAYEBWA: Madam Chairperson, my senior brother in the profession, knows that there is a difference between income tax - which is a direct tax and VAT, which is an indirect tax. Now, the Shs 500 million will be paid under income tax if you have received that income. And you, the businessman, is the one supposed to pay that income - from your business.

However, the VAT, which is an indirect tax, is paid by the final consumer who has consumed the good or the service. So, what we are saying here is that yes, if you put the VAT threshold at 100, then there will be 100 businesses that you will attract -there will be so many informal businesses - those who cannot even manage to have records and are difficult to track.

But a medium of 250 or 300 makes it at least - you know this is a big business which has records, which can easily be tracked and, therefore, they can easily broaden the tax base because the tax is paid by the final consumer who is –

THE CHAIRPERSON: Hon. Masaba -

MR MASABA: Madam Chairperson, after listening to the arguments and the minister, because the minister gave us figures, there is one of Shs 250 million where we have a net revenue of Shs 349 million. Then there was one of Shs 300 million, it still has a net revenue which is higher at Shs 358 million.

I think it is better to go for Shs 300 million because in our proposal -you did not provide us with the figures, but according to what you said, we have a net loss as a country, which, of course, as an economist, I would not want. So, I propose that we go with at least Shs 300 million for now, instead of substituting Shs 200

million, we substitute Shs 250 million with Shs 300 million. That is my proposal.

MR MUSASIZI: Madam Chairperson, I agree with the new proposal by Hon. Karim that we increase the threshold from Shs 150 to Shs 300 million, because we shall still meet our objective with this proposal.

THE CHAIRPERSON: I put the question to the amendment.

(Question put and agreed to.)

Clause 3, as amended, agreed to.

Clause 4

THE CHAIRPERSON: Let us start with the chairperson, then you come in.

MR KANKUNDA: Madam Chairperson, the committee proposes this amendment to Clause 4.

Amendment of section 28 of the principal Act Clause 4 is amended in paragraph (a) by substituting the words “five million United States Dollars” with the words “one million five hundred thousand United States Dollars”.

The justification is to reduce the threshold for citizens from five million United States dollars to one million five hundred thousand United States dollars.

THE CHAIRPERSON: Yes, Hon. Masaba -

MR MASABA: Madam Chairperson, our proposal is \$ 500,000 for a citizen investing in a rural area or \$ 1,500,000 million US dollars for a citizen who is investing in an urban area.

THE CHAIRPERSON: Is the change in location? – urban and town.

MR MASABA: Yes, on location and -

THE CHAIRPERSON: Hon. Oboth -

MR OBOOTH: We could benefit from the justifications as to why he has made the swap that we see through his lens.

THE CHAIRPERSON: He has said that he is okay with the figures; however, what he is changing is the location - that for urban – Hon. Masaba, he wants a justification for your -

MR MASABA: I thought my senior colleague, Hon. Oboth, was following the report but when I presented the report, my view was that we need to have a way of intensifying more of our people who are investing in rural areas like - because when you look at people investing in Kampala, urban areas and the developed national parks, they have the capacity. But there are people who are investing in the tourism sector in areas that are still underdeveloped, like Kapchorwa. You will not find anyone investing \$ 5 million in Kapchorwa or Wanale.

THE CHAIRPERSON: It motivates.

MR MASABA: To motivate, so as to have a certain standard of investment in those rural areas.

THE CHAIRPERSON: It is like an initiative.

MR KANKUNDA: Madam Chairperson, when the committee engaged the ministry about the proposal, we were informed that the amendment targets super investors. And that is why the threshold was so high, to the extent of considering \$ 5 million.

However, when we went into a debate, we realised that even \$ 500,000 was rather on the lower side, which is equivalent to the house cost of my brother, Hon. Nandala Mafabi. So that is why we adjusted to \$ 1,500,000.

MR NANDALA-MAFABI: Madam Chairperson, Kampala is an urban area. Let me give an example – Hon. Kateshumbwa should listen to this. Is Kisoro, where Bwindi is, urban? It is rural. Yet, the tourists go there more than they go to Mbale Town or Jinja, because of the gorillas and whatever. We have to be very careful about what is urban and where the tourist attractions are.

For that purpose, Madam Chairperson, my only request to my younger brother is about the period. If \$1.5 million is multiplied by 4,000, that is Shs 6 billion. For a Member of Parliament, who is going to save Shs 10 million per month, to get Shs 6 billion, you need 50 years –(Laughter)- I am just giving them an example.

Therefore, I would like to propose that instead of talking of two years, we should look at a period of, say, five years. The justification is that a person is developing his hotel, and he will not finish it in two years. It could take about five years. So, Mr Minister, concede on five years.

THE CHAIRPERSON: Minister?

MR MUSASIZI: Madam Chairperson, I thank colleagues for their concerns. However, I invite them to think through the objective of this proposal.

The overall objective of this proposal is to maintain focus on the high-impact investments. That is why we are saying: let us give this favour to people who can invest \$5 million and above. We are not looking at me who is saving Shs 10 million per month – how am I going to build \$5 million? No, this is not for me. I will have other favours somewhere, but not on this one.

Therefore, Madam Chairperson, I invite colleagues to support this threshold because it is targeting – we are looking at high-impact investments, which can give us 100 jobs, tax revenue, and help to propel the economy –(Interjection) - information from the accountant.

MR AOGON: Madam Chairperson, the information that I want to give my brother is this. Yes, we are aware of the high-impact investments, but in terms of location, if you come to a district like Kumi, you hardly find a factory. Nobody wants to invest there. We want to motivate people to invest in all parts of the country, not only Namanve or Kampala. For me, that is the thing. Location should move with the pricing. The two should be intertwined.

THE CHAIRPERSON: Hon. Silas, as an accountant, I would have expected you to know that there are other laws that give incentives to such investors. Yes.

Let us not talk as a political -

MR AOGON: Let the minister name one law that helps us in that regard.

MR KATESHUMBWA: Madam Chairperson, the minister -

THE CHAIRPERSON: The Investment Code Act.

MR AOGON: Madam Chairperson, when you look at, for instance, the issue of the initial capital allowance, we have decided in the past that when you invest in Namanve, for instance -

THE CHAIRPERSON: Hon. Silas, speak as an accountant.

MR KATESHUMBWA: Madam Chairperson, I request the minister to be realistic. The Bill he has brought concerns developers of hotels or tourism facilities. A tourism facility could be a cable car on Sipi Falls in Kapchorwa. You are not going to invest \$5 million, which is about Shs 20 billion, to do a cable car in Kapchorwa or on Rwenzori. It is certainly less than that cost –(Interjections)- no, because the amendment is talking of hotels or tourism facilities.

Therefore, our proposal is that even if you are looking at the hotel, Madam Chairperson, you cannot over-invest in an area where the return on investment is so small that it will not make you to recoup the investment. You cannot put a Shs 20 billion hotel in Budadiri or Kapchorwa because the return on investment is very low – the occupancy rate. We have 1.5 million tourists coming into the country. If you are going to invest in a 200-bed hotel -

THE CHAIRPERSON: So, what is your amendment?

MR KATESHUMBWA: Madam Chairperson, I go with the committee's proposal of at least

\$1.5 million, which is around Shs 4 billion. That will enable us to support the ATM strategy and attract investments in different parts of the country.

THE CHAIRPERSON: Minister?

MR MUSASIZI: Madam Chairperson, I have a strong position that we should not lose the whole objective of this proposal, because we are looking at luxurious hotels. A luxurious hotel, Madam Chairperson, is not what Hon. Kateshumbwa is talking about. It is something else. *(Laughter)*

Madam Chairperson, I would like to appeal to the Committee of the whole House to support the Government's proposal that we maintain this support to people who can invest \$5 million and above. Thank you.

MR NANDALA-MAFABI: Madam Chairperson, I am in the hotel industry. I would like to state, Mr Minister, that Shs 20 billion is a lot of money. I am bringing in practical reasoning. I am in the hotel industry. With \$1.5 million, you will have a modest hotel of about 30 rooms, which is also allowed for purposes of having waivers on the import of hotel equipment and the rest.

If you want to promote the hotel industry, the locals should invest – and by the way, the locals like employing their fellow locals. \$1.5 million is the best and even the period of two years is very small. That means you go to Housing Finance, borrow money at an interest rate of 19 per cent, and at the end, that facility will be taken and sold away.

The better period for people to be able to invest - because people invest money but not all the money is necessarily theirs. They borrow money from the stock exchange and banks and invest. For you to encourage more tourism in the country, \$1.5 million is better, but the period should also be increased from two to five years.

The justification is that we need people to invest, but not for somebody to be in a hurry. If

he is worried, he can do something which can break tomorrow.

MR KIBALYA: Thank you, Madam Chairperson. I need to interest the minister in the history of this country. Those that have set up very powerful hotels did not need that threshold. So, anybody who has the capacity to set up such a powerful hotel does not need the threshold.

However, we are looking at a situation of attracting more people into the investment so that we benefit more. If we only look at the high-end class, we shall suffocate the low-end class. We request the honourable minister to look at the committee's report, which is really suggesting \$1.5 million. We are interested in the minister looking at the committee's report and conceding so that in future, if we have to look at the high-end, then we shall look at that later. Thank you.

THE CHAIRPERSON: Yes, minister.

MR MASABA: Before the minister comes in, I want us to understand this point. Yes, the minister wants to bring in the investors who are building the high-end, but this is a tax credit on materials being used by someone in constructing hotels. So, it is unfair to our citizens and the people there.

If we can only give credit to the foreigners who are earning, someone who is investing \$ 5 million and then someone who is investing \$ 1 or 2 million does not qualify to claim that tax credit on the construction material of that hotel. So, I think in my view, the minister is being unfair to our people. If we are to be fair, we need them to also benefit from this tax credit. We are not giving them free money.

We are telling them that if they are constructing this hotel, they can reclaim VAT on the construction materials used for this hotel facility.

The other issue was about time. Hon. Nandala suggested five. In my minority report with Hon. Ssemujju, we had requested for ten

because we know a hotel facility takes long to construct. I have seen Kabira – Mr Sudhir has constructed it for more than five years yet construction is still going on. Someone who has a lot of money – so, how about -

THE CHAIRPERSON: Yes.

MR SSEMUJJU: The information I am giving to Hon. Masaba is that even the construction of the Parliamentary Chamber started in 2014, but up to now, we are still constructing.

THE CHAIRPERSON: It is even not going to end.

MR MASABA: So, I had given information to Hon. Ssemujju. So, Madam Chairperson, my view is -

THE CHAIRPERSON: Honourable members, it must be on record that the Parliamentary Chambers is not a hotel. That is number one.

Number two, we came here when the Chambers were already being constructed. We got it being constructed; we are not the ones who did the procurement. And -

MR SSEMUJJU: Madam Chairperson, I am not blaming you. That is why I said it started in 2014. You also inherited the problem. I am only emphasising that construction can take longer than anticipated.

MR MASABA: Madam Chairperson, I was still on the Floor. I had only given - in my view – okay, I have conceded to the committee's position of separating the urban and rural areas. So, we had agreed on the Shs 1.5, but my view is that we put the Shs 1.5 in the urban centres and then for the rural areas, Shs 500. I do propose that we maintain the committee's position of Shs 1.5 and then increase the time from two to 10 years as proposed in our minority report.

THE CHAIRPERSON: Can we have order?

MR KANKUNDA: Madam Chairperson, when - and indeed we always have good debates in the committee - this matter was before the committee, we tried to strike a balance and said yes, indeed we need these super hotels. And that is why we are not proposing an amendment on the Shs 10 million for foreigners, so that they can cater for that class and then give an opportunity for the locals or the citizens to invest at Shs 1.5.

THE CHAIRPERSON: Honourable minister, on the issue of time, it is not realistic that you can have a hotel in two years. Members, I am about to send you to the National Theatre.

MR MUSASIZI: Madam Chairperson, why the two years? We do not want this window to be abused. We want you to get a window, start and finish. We want to support the start-to-finish projects, not projects which are staggered for a long time, because that opens a window for abuse.

THE CHAIRPERSON: So, why don't you get a middle ground of five?

MR MUSASIZI: Madam Chairperson, by the time we bring these proposals to the House, there are a number of stages we have gone through. There are a number of consultations we have made – (*Interjections*) - yes, Madam Chairperson.

I, therefore, would like to pray that our proposal be supported by the House. I am always someone who wants to get a win-win, but on this one, when you see me insisting, just know that I am constrained. So, I pray that Parliament supports our proposal.

MR ODUR: Madam Speaker, the procedural matter I am raising, which is helpful to the minister, is: as Parliament, we desire transparency and full disclosure. When I sat, it occurred to me as if this proposal were at the tail end of some negotiations. Potentially, an investor or somebody is already in the pipeline.

We do not intend to stand in the way, but as Parliament, we only deserve to be given full

information and full disclosure. In case there is something really special coming up, let the minister put it on the record, and then we will know that we are dealing with something which is unprecedented. So, would you now go ahead a little bit and explain to us who that person you have in mind is?

THE CHAIRPERSON: Honourable, what he is saying is that if you have full information, full disclosure, specific information, not people - maybe we want - maybe because of the African Cup of Nations (AFCON), we might have people who are ready to invest, and in two years' time they will have finished. That could be one of the things.

MR KATESHUMBWA: Madam Chairperson, let us look at the example of this city. We have two major hotels, which have been undergoing construction. One is - is it, Hilton? Hilton here, and there is Marriott. How many years have they taken to be constructed? The minister should be able to answer that. If you look at the construction of a hotel, you notice that it is a process. There is a feasibility study, there is - it takes time.

So, you cannot say that within two years because you deny someone input credit. Yet knowing that he is actually creating an opportunity for you to earn more money in future. So, my request to the minister is that we should not shoot our own efforts. We are promoting ATMs, including tourism.

Promotion of tourism should cater for both local Ugandans and foreigners. You should not put a provision - it is like saying that let everybody jump 5 meters, I give you food, while knowing that nobody will reach 5 meters. Let us give an opportunity to both Ugandans and foreigners to invest because this does not cost you revenue. We are only saying that you allow input credit.

MR NANDALA-MAFABI: Madam Chair, what Hon. Kateshumbwa has raised - the reason I want to claim my Value Added Tax (VAT) is that I buy more materials to make the hotel what - go up - I don't know why the minister is insisting. If he has specific people in the

Ministry of Finance, Planning and Economic Development who have \$ 5 million or want to invest in hotels, let him come and also put them in the law that now this one and the other are going to build a hotel in two years.

MR KIBALYA: Thank you, Madam Chairperson. We are having issues with the minister. The minister -

THE CHAIRPERSON: Yes, Hon. Ssewungu.

MR SSEWUNGU: Thank you, Madam Chairperson. Through you to the minister: I do not know whether you have taken interest in knowing what is happening in the hotels. You may be looking at only at taxation but look at those luxurious hotels; visit them. There is no business.

Your interest, as the Government, is having fair taxes and charges on these businesses to get money. However, when you visit them - go to Entebbe and will see what is happening. There is no business. So, you have to be very careful. The more you create interest and pour better charges and taxes on them, it interests people to go there.

So, I would pray that we make a middle balance between what the committee is saying and what the minority report is suggesting. Thank you, Madam Chairperson.

THE CHAIRPERSON: There is a motion.

MR SSEMUJJU: Madam Chairperson, we have sufficiently debated this matter. Nearly everybody's position is now known. The position of nearly everybody is known; the position of the minister, that of the committee, and Members. That being the case, I move, Madam Chairperson, that you put the question.

THE CHAIRPERSON: Thank you. I put the question - let us first hear from the minister. It is not a matter of putting a question when there is a revenue implication. We are going to do supply. When we are doing supply, Hon. Omara will be there looking at me. He wants roads in Otuke, Abim, or wherever. At the end of the day, if we do not have the money

to finance them, he will be the same person to complain. Let us hear from the minister on whether it has a financial implication.

Hon. Odur, I will allow you to speak -

MR ODUR: Madam Chairperson, thank you for allowing me to speak. Of course, the Constitution allows me to speak.

THE CHAIRPERSON: It is because I will miss you. I told you I will miss you in legislation.

MR ODUR: I will look for you. *(Laughter)*

THE CHAIRPERSON: By the way, he is my son. When he says that he will look for me, it is not in other ways.

MR ODUR: Madam Chairperson, the point I want to raise before the minister comes, is that whereas we are processing a tax Bill looking at the opportunities to raise money, this particular provision is not about raising money. It is an incentive, or you could say that it is a waiver, or something like that. Therefore, when we are debating it, it is a motivating factor.

The minister had moved very well. He said that there were certain things leading to this, like it is at the tail-end, meaning this is a super-specialised project that has been discussed. Therefore, he should be transparent and open, and avoid having that demeanour of fear to disclose to this Parliament what they have discussed. He is not even maintaining eye contact. There is something he is hiding. I want you to reveal it on the Floor.

THE CHAIRPERSON: It is like what we had in the Commonwealth Resort. When we agreed, we said, "Let us close our eyes, this must happen." Honourable minister, the Floor is yours.

MR MUSASIZI: Thank you, Madam Chairperson.

Madam Chairperson, today we are here debating tax Bills. There is a reason why we

normally start like this, because we must know how much money we have in order to supply the spending entities.

Madam Chairperson, earlier, I said that all these proposals we brought have gone through several stages. We have studied them, we have analysed the revenue implications, and the implications on the budget. I would wish to pray that this House considers these proposals because I am looking for Shs 84.3 trillion, a movement from Shs 72 trillion, which must be financed.

These proposals -

MR NSEREKO: Senior comrade and colleague, you know I have a soft spot for you, but you are just being too general. The world is waiting for data from you. You took the first one, the second one, and you are going to take others.

The question is: what justification are you giving by saying that you are looking for revenue? You are saying you want people to claim credits when they are foreigners, at \$10 million, and the committee agrees with you. When it comes to the locals - and these are people's representatives - they tell you to wait a second; if you want to support our local people - remember, Hon. Ogwang was here trying to clearly tell people to invest in hotels in Hoima, Masindi, Lira, and others. There is a good proposal from the committee and it is a win-win, and we come back every financial year - the issue is that you have got a percentage of this, not in a bad way, comrade. You have \$10 million for a foreigner who wishes to come to invest, and the justification is that they can borrow this money cheaply. The justification for lowering the threshold for nationals is that the cost of borrowing is high. It is just a simple justification. We are also saying that we want to promote the local people to invest, because potentially, they will have to employ local people as well.

Therefore, let us grow together so that this is a people-driven financial budget that you are presenting. From the revenue, we are collecting

it together, and we might reconsider it next year because this is annual. That is what we are trying to persuade you about. We are not saying that you should drop the entire clause as it is.

The committee has agreed with you on foreign investors; big tick. You can clap for yourself on that *-(Laughter)-* but they are saying that on your own people in Rukiga, please go down a bit. He has further suggested that in the rural areas, do it this way. In Rubanda, someone is trying to put up a structure in order to harvest some money from tourists who are crossing from Rwanda or Congo. Can we go down to \$500,000?

When it comes to municipalities in Entebbe and others in Kampala, let it be \$1 million or \$1.5 million as they have proposed, so that next year we see whether it has been attractive to people. Has it helped us in any way? In any way, this is a waiver to others. As you waive for the foreigners' input, we are also saying, relax for our nationals and give a longer threshold because the justifications have been clear. Name one hotel that has been built in two years. If you name one, we give it to you as it is.

THE CHAIRPERSON: Thank you. By the way, Members, the assumption that this is not revenue making - it is because you are attracting investors.

MR MPINDI: Thank you, Madam Chairperson.

I agree with the minister that this is going to attract revenue, but not in this financial year that we are handling.

Two, I am wondering why the minister is insisting when the \$10 million has been accepted by the House. We are simply saying that we need to help our locals to invest in this. When the locals invest, we will get more revenue because we will have so many hotels constructed. We will have a lot of revenue that will address the issues that the minister is worried about.

I want to persuade the minister to agree because this is helping our country; it is helping our locals.

THE CHAIRPERSON: Thank you.

MR MASABA: Madam Chairperson, I believe we have had enough engagement on this, and we should agree to disagree on certain factors. I want to propose that we amend that section as proposed by the committee, and for the period, we increase it from two years to five years.

MR NANDALA-MAFABI: Madam Chairperson, the minister is worried for nothing. Let me read this for you: "A credit is allowed to a taxable person who develops a hotel or tourism facility, and invests the amount..." as we are saying, which is done in either two years. We are now saying five years. That means the allowable part will be prior to the date of commissioning the hotel. It means that what we are trying - even now, if you do it, you will get your credit in two years. If you take five years to be commissioned, you will get your credit in - I am sure by then you will not be a minister for finance; you will be a minister for tourism. You do not need to worry. This is not current; it is in the future. *(Laughter)*

THE CHAIRPERSON: Anyway, you are not the appointing authority. On the issue of prior to the date of commissioning the hotel, or a tourism facility, honourable minister, let us hear from you -

MR SSEMURJU: Madam Chair, I have a procedural issue. In the practice of this Parliament, the position is that either you take a vote or stand over a matter - Madam Chair, can I address you?

In the practice of this Parliament, if you cannot make a decision, you stand over a matter. So, if we want further consultation - Madam Chair, I am proposing we deal with other matters and then -

THE CHAIRPERSON: Hon. Ssemurju, you will not advise me on what to do.

MR SSEMUJJU: I am using rule -

THE CHAIRPERSON: You will not advise me on what to do. The Bill was brought by the minister, and I am telling the minister how we should handle it in this House.

Yes, honourable minister.

MR MUSASIZI: Thank you, Madam Chairperson. I wanted to say that there are no proposals in these Bills that do not have significant revenue implications, either by reduction or increase. The bottom line is that out of this process, we must get additional money to finance next year's budget.

That is why I want to appeal to colleagues to support me in raising this revenue so that I am able to do your roads, electricity, hospitals, and do everything.

THE CHAIRPERSON: Yes, honourable members. You have heard from the sponsor of the Bill. I am putting the questions on two: the committee and the Bill - yes, I will first put the question on the committee report; I will put one question. Okay, I put the question, based on what the minister has explained, that the committee report be amended as proposed by the committee. Have you heard? If you are not in favour of the committee recommendations, you say "Nay."

I said that basing on what the minister has explained on this clause, I put the question that those in favour of the proposal of the committee say, "Aye" to, the contrary, "Nay."

(Question put and negatived.)

Clause 4, agreed to.

MR NSEREKO: No, Madam Chairperson, clause 4 has the issue of Information Communication Technology (ICT).

THE CHAIRPERSON: No, that was a different one.

MR NSEREKO: No, Madam Chairperson, this was it - Madam Chairperson, clause four - ICT is in clause 4(c). That was clause 4(a).

THE CHAIRPERSON: That was 4(a).

MR NSEREKO: You said the entire Clause 4.

THE CHAIRPERSON: No, 4(a). That was where we were deviating.

MR NSEREKO: The one on hotels -

THE CHAIRPERSON: Yes, the one on hotels - you put up your issue on 4(a).

MR NSEREKO: Thank you, Madam Chairperson.

MR ODUR: Chair, I do not know how we are handling that because I was here and I heard you put the question clearly that clause 4 -

THE CHAIRPERSON: No, the amendment was only on clause 4(a).

MR ODUR: The amendment failed, and you put the question after that. After the Speaker had finished to vote, I do not see how now - because the matter -

THE CHAIRPERSON: I did not vote.

MR ODUR: No, I think your vote carried more weight because we said-

THE CHAIRPERSON: No, I do not vote.

MR ODUR: This is because I saw the minister here after you declared the results you desired.

THE CHAIRPERSON: For avoidance of doubt, we have resolved 4(a) where there was an amendment from the committee. Where Hon. Muhammad Nsereko has an issue on 4(a), please bring it up. Honourable minister, get off your phone.

MR NSEREKO: Madam Chairperson, when we were reporting, I spoke about the issue of software as an integral part in digitisation and the digital transformation of our country.

Madam Chairperson, classifying software as a service by amending the principal Act would be heavily detrimental in this way. I clearly stated some of the facts, just like one of our honourable colleagues clearly stated, that “The impact is felt mainly by the consumer”.

The consumers of software are primarily you and the small startups.
Technology is like a human chain -

THE CHAIRPERSON: What is your amendment on 4(c)?

MR NSEREKO: Madam Chairperson, my proposal is that we leave the status quo as it is so that we delete the entire clause. We delete Clause 4(c) and 4(d) for imported software.

THE CHAIRPERSON: Yes.

MR KATESHUMBWA: I want to believe that the honourable member has a point, and what the ministry tried to cure is a challenge that is at importation, but they tried to cure it with the Value Added Tax (VAT) law. The general interpretative rules of the harmonised system specifically deal with an item that comes as a composite good.

Based on rule 3(b), such items are classified based on the material that gives the good its essential character. So, our attempt to tackle this matter in a VAT law might actually bring a legal conflict with the customs law.

I would, therefore, like to request the minister that, on this one, to avoid controversy, we should deal with it at importation. Let me demonstrate. If you bring this item as a hardware worth Shs 10 million, but on this hardware, there is a software worth Shs 100 million, the essential character of this gadget moves away from being a hardware.

Therefore, this challenge should be handled at the importation, rather than bringing this law here. I beg to submit.

THE CHAIRPERSON: Hon minister?

MR MUSASIZI: Madam Chairperson, I agree with Hon Nsereko and also justify as Hon. Kateshumbwa has justified. I, therefore, concede that subclause (c) be dropped.

THE CHAIRPERSON: Subclauses (c) and (d). I put the question that clauses 4(c) and (d) be deleted, as proposed by Hon. Nsereko.

(Question put and agreed to.)

THE CHAIRPERSON: I now put the question that clause 4 be amended as proposed.

(Question put and agreed to.)

Clause 4, as amended, agreed to.

Clause 5

MR ODUR: Madam Chairperson, when we were debating, I had indicated that this power that the minister - I propose that we delete clause 5 so that Parliament retains the power.

THE CHAIRPERSON: Honourable minister, the fact that we have that in the law already, why don't we have this deleted? Use your powers of regulation. Let us have this deleted because it is already specified anyway.

Honourable members, I put the question that clause 5 stands part of the Bill.

(Question put and agreed to.)

Clause 5, agreed to.

Clause 6, agreed to.

Clause 7, agreed to.

Clause 8, agreed to.

Clause 9, agreed to.

The Title, agreed to.

MOTION FOR THE HOUSE TO RESUME

THE CHAIRPERSON: Honourable minister?

1.06

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (MR Henry Musasizi): Madam Chairperson, I beg to move a motion for the House to resume and the Committee of the whole House reports there to.

THE CHAIRPERSON: Honourable members, I put the question that the House resumes and the Committee of the whole House reports there to.

(Question put and agreed to.)

(The House resumed, the Speaker presiding.)

REPORT FROM THE COMMITTEE OF
THE WHOLE HOUSE

THE SPEAKER: Honourable minister?

1.07

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (MR Henry Musasizi): Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Value Added Tax (Amendment) Bill, 2026 and passed it with amendments.

MOTION FOR ADOPTION OF THE
REPORT OF THE COMMITTEE OF THE
WHOLE HOUSE

THE SPEAKER: Honourable minister?

1.07

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (MR Henry Musasizi): Madam Speaker, I beg to move a motion that the report from the Committee of the Whole House be adopted.

THE SPEAKER: I put the question that the report of the Committee of the whole House be adopted by this House.

(Question put and agreed to.)

Report, adopted.

BILLS
THIRD READING

THE VALUE ADDED TAX (AMENDMENT)
BILL, 2026

THE SPEAKER: Honourable minister?

1.08

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (MR Henry Musasizi): Madam Speaker, I beg to move a motion that the Bill entitled “The Value Added Tax (Amendment) Bill, 2026” be read for the third time and do pass.

THE SPEAKER: I put the question that the Value Added Tax (Amendment) Bill, 2026 be read a third time and do pass.

(Question put and agreed to.)

A BILL FOR AN ACT ENTITLED, “THE
VALUE ADDED TAX (AMENDMENT)
ACT, 2026”

THE SPEAKER: Title settled and the Bill passed. Thank you. Next item.

BILLS
SECOND READING

THE EXCISE DUTY (AMENDMENT)
BILL, 2026

THE SPEAKER: Honourable members, pursuant to Rule 136 of the Rules of Procedure, I invite the minister to move a motion for the second reading of the Bill.

1.09

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, I beg to move the motion that the Bill entitled, “The

Excise Duty (Amendment) Bill, 2026”, be read the second time.

THE SPEAKER: Is the motion seconded? (*Members rose*) Seconded by Hon. Obua, Hon. Adoa, Hon. Maj. Dr Alanyo, Hon. Omara - the whole side – and Hon. Komakech, the Democratic Party (DP) Whip, Hon. Aogon, and the honourable member for Mbale. Speak to your Bill.

MR MUSASIZI: Madam Speaker, the proposed amendments in the Bill are intended to enhance revenue mobilisation, strengthen compliance, and align the excise duty regime to broader economic, public health and environmental policy objectives.

Madam Speaker, briefly, that is the justification for the Bill. My prayer is that the House considers and passes this Bill into law. Thank you.

THE SPEAKER: Thank you. The chairperson is ready to report. Chairperson, can you report? Do we have a minority report?

1.11

THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda): Madam Speaker, the Excise Duty (Amendment) Bill, 2026, was laid for the first time in the House on 1 April 2026 and forwarded to the committee for consideration and the committee is ready to report.

We looked at the object of the Bill, the methodology; the meetings with the public and other stakeholders. I would like to mention that we met the Ministry of Finance, Planning and Economic Development, Uganda Revenue Authority, PricewaterhouseCoopers (PwC), Institute of Certified Public Accountants of Uganda, the private sector, Tax Justice Alliance Uganda, Civil Society Budget Advocacy Group, Uganda Alcohol Policy Alliance, Uganda National Traders Alliance, Uganda manufacturers, Kampala City Traders Association (KACITA), Uganda Insurance Association, Uganda Bankers Association,

MTN Uganda, Federation of Small and Medium Sized Enterprises and Uganda Tobacco Taxation Coalition.

Madam Speaker, documents were also reviewed.

The observations and recommendations of the committee are here below:

Increase on excise duty on any other undenatured spirits

Clause 2(a) of the Bill proposes an amendment to Schedule 2 of the Excise Duty Act under item 3(c)(ii), by increasing the excise duty on imported undenatured spirits with alcohol strength by volume of less than 80 per cent. The proposed amendment seeks to increase the excise duty from 80 per cent or Shs 1,700 per litre, whichever is higher, to 80 per cent or Shs 3,500 per litre, whichever is higher.

The ministry informed the committee that the amendment seeks to discourage the importation of relatively cheap spirits that compete with locally produced alternatives. It also aims to support domestic manufacturers by creating a level playing field and a competitive environment. The measure is expected to increase the Government revenue by raising the effective tax collection on imported alcohol beverages, as they have a relatively inelastic demand and are consumed mostly by the wealthy.

The committee observed that –

- i. The proposed amendment aims to increase excise duty by Shs 1,800 on imported undenatured spirits whose alcohol strength by volume is less than 80 per cent;
- ii. The amendment will make locally produced undenatured spirits competitive;
- iii. There is a need for the Government to establish a joint Government-private sector task force on illicit alcohol with a focus on upstream supply chain enforcement, coordinated multi-agency enforcement, consumer awareness on health risks, and legislative review of the regulatory gaps.

This will go a long way to combating the production of illicit alcohol.

Therefore, the committee recommends that clause 2(a) of the Bill be adopted.

Adjusting excise duty rates on cement, adhesives, grout, white cement or lime

Clause 2(b) of the Bill proposes an amendment to schedule 2 of the Excise Duty Act to increase excise duty on cement, adhesives, grout, white cement and lime from Shs 500 per 50kg to Shs 1,000 per 50kg.

The ministry indicated that the current rate of 500 per 50kg has remained unchanged since 2015. Over time, inflation and rising market prices have reduced the real value of this tax, limiting its effectiveness. The proposed increase of Shs 500 is modest compared to the current market price of the cement and is therefore not expected to significantly affect the construction costs.

The committee observed that a gradual increase of Shs 250 per 50 kg as opposed to the Shs 500 represents a modest 50 per cent raise after 11 years of no adjustment, striking a balance between revenue and affordability.

The committee, therefore, recommends that clause 2(b) be adopted with a proposed amendment of Shs 750 per 50 kg.

Increase of tax on motor spirit(gasoline), gas oil (automotive light amber for high-speed engines).

Clause 2(c) of the Bill proposes an amendment to item 8(a) and (b) of Schedule 2 to increase the tax on motor spirits and gas oil by Shs 200.

The committee was informed by the Ministry of Finance, Planning and Economic Development that fuel pump prices currently average about Shs 5,400 per litre. The proposed increase is therefore, relatively small and not expected to significantly affect overall fuel prices beyond the tax adjustments itself. The rationale for this amendment is to maintain the real value of excise duty by accounting for inflation.

The committee observed that with the interventions of the Uganda National Oil Company (UNOC), purchasing fuel directly from the oil producing companies through the Vitol Bahrain E.C. will cushion the impact of the proposed increase in the tax.

The committee, therefore, recommends that clause 2(c) of the Bill be adopted.

Increase of tax on cane or beet sugar and chemically pure sucrose in solid form

Clause 3(b) of the Bill provides that item 9 of Schedule 2 to the Act be amended to increase the tax on cane or beet sugar and chemically pure sucrose in solid form from Shs 100 per kilogramme to Shs 300 per kilogramme.

The ministry stated that the rate has remained unchanged since 2015. Over time, inflation and rising sugar prices have reduced the real value for this tax, limiting its contribution to Government revenue. The proposed increase seeks to restore the value of the tax so that it remains effective and relevant under the current market conditions.

The amendment has two main objectives: first, it is intended to increase Government revenue simply and efficiently by taxing the widely consumed product. Secondly, it supports the public health goal by discouraging excessive sugar consumption which is linked to dietary-related illness such as diabetes and obesity.

The committee observed that:

- i) the effect of the proposed tax is to increase the tax on cane or beet sugar and chemically pure sucrose in solid form by Shs 200 per kilogramme - the committee says that instead of Shs 300, why don't we increase it by Shs 200 per kilogramme?
- ii) adjusting the duty to Shs 200 per kilogramme as opposed to Shs 300 per kilogramme represents a reasonable measure to account for inflation and restore the real value for tax.

The committee, therefore, recommends that clause 2(d) be adopted with the proposed amendments of an increase of Shs 200 per kilogramme.

Excise duty on plastics

Clause 2(c) of the Bill proposes an amendment to item 11 of schedule 2 by changing the parameters for plastics. The current provision had specified the type of plastics under codes. These codes have been removed under the proposed provision. The proposal also seeks to tax disposable plastic cups, lids, plates and cutlery; bags, sackets, bottles, straws, and stirrers, cling films and wraps, jars, and lids. The rate of tax has changed from \$70 to \$1,500 per tonne.

The ministry indicated that the proposed amendment expands the scope to cover most single-use plastics, which are a major source of environmental pollution. These materials contribute to waste accumulation and have been linked to floods, particularly in urban areas such as Kampala.

The proposal also harmonises Uganda's tax treatment of plastics with other East African Community (EAC) countries by applying a higher and more consistent rate across major plastic pollutants. The rationale is to discourage the use of non-essential and single-use plastics while protecting critical uses. By increasing the cost of these products, the measure encourages more sustainable alternatives, reduces environmental damage and supports responsible consumption. At the same time, it strengthens revenue collection and improves clarity in the taxation of plastic products.

The committee observed that:

- i) the amendment intends to promote environmental conservation by targeting single-use plastics given that they are an environmental hazard;
- ii) the amendment does not cover plastic products and granules; and
- iii) manufacturers who recycle plastics need to be incentivised, provided they meet

recycling standards and verification requirements.

The committee, therefore, recommends that clause 2(c) of the Bill be adopted with the proposed amendment to include plastic products and granules under the description in item 11(a).

Increase of excise duty on cooking oil and introduction of excise duty on cooking fat

Clause 2(f) of the Bill intends to increase excise duty on cooking oil from Shs 200 per litre to Shs 400 per litre. The Ministry of Finance, Planning and Economic Development stated that the amendment is intended to increase Government revenue by updating the duty rate to reflect current market prices and consumption levels. The existing rate has become less effective over time due to inflation and changes in the market. In addition, the measure may have public health benefits by increasing the cost of cooking oil and discouraging excessive consumption, which is associated with non-communicable diseases.

Relatedly, clause 2(b) of the Bill proposes an insertion of a new item, (29), to provide for cooking fat. The finance ministry informed the committee that the main objective is to broaden the tax base and improve revenue collection by bringing cooking fat into the excise duty framework.

Cooking fat is closely related to cooking oil yet it has been treated differently for tax purposes. This has created opportunities for tax avoidance and some manufacturers misclassify cooking oil as cooking fat to benefit from low taxes. The amendment closes this gap and promotes fairness in taxation. The measure is also expected to improve compliance by making it easier to tax products that are widely used and difficult to monitor directly. In addition, the proposal may have public health benefits. Higher taxes on cooking fat can discourage excessive consumption which is linked to diet-related illnesses such as obesity and heart disease.

The committee observed that:

- i) the amendment is intended to adjust the duty of cooking oil to Shs 400 per litre as opposed to Shs 200 per litre, which represents a reasonable measure to account for inflation and restore the real value of tax;
- ii) cooking fat and cooking oil are functionally similar products yet the differential tax treatment has created opportunities for revenue leakages through misclassification by some manufacturers;
- iii) bringing cooking fat under the excise duty regime will promote fairness and equity in taxation of edible oils and fat ensuring that similar products face comparable tax;
- iv) the proposed measure may contribute to public health objectives by increasing the cost of cooking fat, thereby discouraging excessive consumption, which is associated with non-communicable diseases; and
- v) while the amendment is necessary to close the existing gap, implementation should be accompanied by clear guidelines distinguishing cooking oil from cooking fat to avoid unintended disputes and compliance burdens on legitimate manufacturers.

The committee therefore recommends that clause 2(f) of the Bill be adopted.

Registration of motorcycles

Clause 2(g) of the Bill seeks to increase excise duty on motorcycles at first registration from Shs 200,000 to Shs 500,000. According to the finance ministry, the amendment is intended to increase Government revenue by capturing more value from the rapidly growing sector. Motorcycle use has expanded significantly, especially in urban areas such as Kampala, making it an important and reliable tax base. In addition, this duty is often the main point of taxation for motorcycle operators, particularly Boda boda riders, who may not be easily reachable through income tax. It therefore serves as a practical proxy for taxing this segment of the economy.

The committee observed that imposing excise duty at a point of first registration ensures the revenue is effectively collected from this growing segment of the economy.

The committee recommends that clause 2(g) be adopted.

Introduction of excise duty on paint, varnishes and lacquers

Clause 2(h) of the Bill proposes to introduce excise duty for paints. Locally manufactured paints, varnishes and lacquers will be charged 3 per cent or Shs 50 per litre or kilogramme, whichever is higher, and imported paints, varnishes and lacquers will be charged 10 per cent or Shs 2,000 per litre or per kilogramme, whichever is higher.

The finance ministry informed the committee that the construction sector is one of the fastest growing in Uganda, contributing about 5.5 per cent to GDP but its contribution is less than 2.7 per cent to total revenue collected.

The proposed tax uses paints and related products as a proxy to capture revenue from this sector. The measure is also intended to improve compliance. Under-declaration of products and sales is common in the sector, making direct taxation difficult. By taxing key inputs such as paint, the Government can collect revenue more efficiently.

The committee observed that:

- i) introduction of excise duty on paints, varnishes, and lacquers will broaden the tax base and generate additional revenue from the rapidly expanding construction industry; and
- ii) to protect local manufacturers, a lower rate shall be applied to the locally produced paints, varnishes and lacquers compared to imported ones. Differential taxation will encourage local production, support job creation and value addition in the paints and coatings subsector.

The committee recommends that clause 2(h) of the Bill be adopted.

In conclusion, Madam Speaker, the committee recommends that the Excise Duty (Amendment) Bill, 2026, be passed, subject to the proposed amendments. I hereby submit.

THE SPEAKER: Thank you, honourable chairperson. Hon. Ibrahim Ssemujju?

1.30

MR IBRAHIM SSEMUJJU (FDC, Kira Municipality, Wakiso): Thank you very much, Madam Speaker. This is the minority report signed by Hon. Geoffrey Ekanya, Hon. Hanifa Nabukeera, Hon. Anna Adeke, Hon. Brenda Nabukenya, Hon. Karim Masaba and myself.

Madam Speaker, the object, as stated, of the Bill is to amend the Excise Duty Act to revise the rates of excise duty on certain excisable goods and services under Schedule 2 to this Act.

The primary problem with this Bill is that it targets goods such as sugar, cooking oil, cement and petroleum that are essential and directly affect the lives of the ordinary people on whose behalf we sit in this Parliament.

The new tax proposals have the effect of increasing the cost of living exponentially, already troubled by the effects of the war in the Middle East. The proposals will also increase the cost of doing business, thereby affecting employment and making Ugandan goods expensive in the regional market. The Bill is not even complying with the Public Finance Management Act and comes at a time when there is no comprehensive tax policy in place, as per the 5 May 2022 Resolution of this House.

I will start with the comprehensive taxation policy. Madam Speaker, those of us who signed the minority report, want to re-echo the concerns of the House expressed during consideration of a motion moved by Hon. Gyaviira Ssemwanga on the 5th of May, urging this lazy NRM Government to immediately

formulate and table a comprehensive tax policy -

THE SPEAKER: What was he urging?

MR SSEMUJJU: This lazy NRM Government. *(Laughter)* I am reading a report; if you have problems, it will be after.

THE SPEAKER: That is un-parliamentary language, Hon. Ibrahim.

MR SSEMUJJU: Madam Speaker, this is a report signed by -

THE SPEAKER: Actually, the person who signed that report is also un-parliamentary.

MR SSEMUJJU: Madam Speaker, I do not want to begin debating a report I have not -

THE SPEAKER: You know, our children watch us and wonder what kind of Parliament this is. Anyway, the Government will respond to you but it is improper.

MR SSEMUJJU: Madam Speaker, I do not want to begin debating a report as I present. But the fact that a private member was concerned about the existence of a comprehensive tax - okay, we can change it to say "hardworking government". *(Laughter)*

Hon. Gyaviira Ssemwanga urged this hardworking NRM Government to immediately formulate and table a comprehensive tax policy. We are legislating in a policy vacuum. The Gyaviira motion was passed on 5 May. Unfortunately, up to now, this hardworking Government, every financial year, introduces tax Bills without a taxation policy in place.

Madam Speaker, this approach allows the Government to engage in speculation and guesswork, while originating and imposing taxes. This leads to unfair taxation that disproportionately burdens the already impoverished citizens.

Hon. Kateshumbwa, former Commissioner for Domestic Taxes at Uganda Revenue Authority

emphasised the necessity of making tax decisions in accordance with a clearly defined policy framework. In his words, “We need to base our tax decisions on a structured policy, rather than relying on ad-hoc negotiations”. However, like many NRM MPs, he has signed the majority report, urging the Government to tax citizens without the existence of a policy.

While launching the Domestic Revenue Mobilisation Strategy 2019/2020 to 2023/2024, the finance minister, Hon. Matia Kasaija, who first became a minister in 1980, said, “In order to achieve our revenue potential, we will move away from adhoc annual tax policy changes. These piecemeal adjustments with little alignment to overreaching strategy have created a high degree of unpredictability and uncertainty in our tax direction. The domestic revenue mobilisation strategy will address this, as well as ensure that our tax policy embodies the principles of simplicity, fairness, citizen welfare and sustainability. Going forward, Hon. Matia Kasaija said, we will involve taxpayers more and fully in the tax policy formulation process, restoring ownership and public confidence in the tax system –(Interruption)

MR OTINGIW: Thank you, Madam Speaker. I thank my honourable colleague for a well detailed minority report. Looking at what we have on our schedule today, the honourable member should just go to the areas of contention to save us time instead of going through all this reading, so that we can proceed with other items on the agenda. Thank you.

THE SPEAKER: Hon. Ibrahim, conclude. In the subsequent one, we should look at the areas of dissent but for now, let him finish his report.

MR SSEMUJJU: I think Hon. Isaac has run quickly -

THE SPEAKER: Whether you want it or not, we have to finish.

MR SSEMUJJU: This is a two-page report and at this stage, we are dealing with policy generally. The specific issues are at the Committee Stage.

Madam Speaker, Hon. Matia Kasaija said the domestic revenue mobilisation policy will ensure that our future tax policy embodies the principles of simplicity, fairness, citizen welfare and sustainability. Going forward, he said, we will involve taxpayers more and fully in the tax policy formulation process, restoring ownership and public confidence in the tax system.

Hon. Kasaija also said future resource mobilisation efforts depend on Ugandans perceiving a close link between taxes paid and services enjoyed. He spoke about a fiscal and social contract and efforts to stamp out corruption. I did not know that the same Hon. Kasaija would continue leading a team of economists that think in instalments, as these continued piecemeal annual tax proposals suggest.

Madam Speaker, in the absence of such a comprehensive taxation policy to date, we argue that this Parliament should reject these tax proposals that are framed to exploit citizens in order to raise money to fund mainly luxury. And, for every proposal that you adopt, please, know that there are people you are likely to render unemployed.

The World Bank, in its July Uganda Human Capital Development and Growth Review, spoke about the impact of taxation on employment. I quote: “Over 90 per cent of firms in Uganda are micro and informal, consisting mostly of self-employed household enterprises. While 28 per cent of adults own or co-own a new business, Uganda also has some of the highest business discontinuation rates in the world. Factors contributing to this include high tax rates, corruption and low human capital among both owners and their workers.”

Madam Speaker, both World Bank and National Planning Authority report that of every four businesses started in Uganda, three (75 per cent) will die before their fifth anniversary because of the high cost of credit and taxation. Revenue mobilisation goals and targets must not conflict with the broader socioeconomic

objectives of any country. That is our advice to the hardworking NRM Government and its newly commissioned Kyankwanzi graduates.

Uganda Manufacturers Association appeared before the committee and said they were never consulted. They warned against over-taxation of essential goods. They informed the committee that annually, they produce about 800,000 metric tonnes of sugar but only half is consumed in the country. You are going to make the consumption of sugar by ordinary people difficult and exporting the same sugar unattractive. Manufacturers are speaking about stocks in their warehouses.

Madam Speaker, we are opposed to the Shs 200 that the Government seeks to impose and increase on petroleum tax. This section also addresses cement, adhesive, grout, white cement and lime.

The demand for gasoline and oil is inelastic. That means that any increment in tax on any of the above will rest on the final consumer. Excise duty is an indirect tax imposed on specific goods manufactured locally or imported and is typically embedded in the price charged to the final consumer.

Fuel prices are already high and are expected to increase further as a result of the geopolitical tensions in the Middle East. Since energy drives other activities, the cost of doing business in Uganda will become high and difficult to contain. As of this morning, the pump price has hit Shs 5,500 per litre. The IMF and World Bank have said that even if the war in the Middle East stops and freedom of navigation is restored, it will take a whole year for oil prices to stabilise because refineries that were bombed may take years to repair. There is some lousy argument by some NRM functionaries that Uganda is safe because it buys oil from so and so. Even so-and-so will or has already raised prices because of the war. Let us not behave as if Kyankwanzi is heaven. We will still live on earth.

The Institute of Certified Public Accountants of Uganda advised that if the Government must

increase oil prices, it must be for purposes of addressing inflation that may have eroded the value in the last one year. That is why they said apply an inflationary increase of Shs 50 per litre; petrol Shs 1,600; and diesel Shs 1,280. Doing otherwise will make production costs surge, which will lead to price hikes across various goods.

Hon. Isaac, I am on the last page. Madam Speaker, we recommend that – *(Member rose)*

THE SPEAKER: Hon. Isaac, he is on the last page of his tabloid story. Actually, when I go home, my son tells me those kinds of stories. You see, you know – that is a tabloid story. Please, finish.

MR SSEMUJJU: We recommend that the proposal be dropped or repealed and the current excise duty maintained as they are already high, at Shs 1,550 per litre. In fact, if you read the huge volumes of the draft estimates brought here, PAYE is followed by petroleum in terms of raising revenue – more than Shs 4 trillion already.

We reject the proposal to increase the tax of Shs 1,000 per 50 kg on cement, adhesive, grout, white cement or lime. This will slow down the construction sector, a major employer.

It has become a practice to increase taxes on the above every financial year. In 2024, the Government increased taxes on cement, grout and lime. Faced with the housing deficit in the country, one would be expecting the Government to promote housing construction through reductions in prices of building materials, as we were doing with hotels earlier.

The Government cannot talk of promoting decent and affordable housing while at the same time increasing taxes on building materials. The Government wants everything at the same time; raising taxes and also decent housing. Let the Government choose one – decent housing – and then reduce taxes on building materials. If you want more revenue, then, increase your taxes, but do not mind about the plight of citizens. Remember, this sector has been

targeted in recent times. Already, rental taxes are affecting investment in the sector.

Madam Speaker, be reminded that this method of introducing multiple taxation and increasing the existing ones triggered widespread resistance in Kenya, leading to chaos. Let the Government be mindful of introducing multiple new taxes that directly affect everyday life.

Finally, reconsider the motorcycle excise duty when dealing with the excise duty. To impose an excise duty of half a million shillings, from Shs 200,000, will increase the cost of motorcycle acquisition and limit business expansion. We would rather ask the Government to, at least, maintain Shs 200,000. The intention is to protect the many youth and informal sector livelihoods.

We should learn something from the Kenyan experience which demonstrated that debt-driven taxation must be handled with extreme care. When citizens perceive that they are bearing the cost of fiscal imbalance through higher living expenses and reduced economic opportunity, resistance can quickly emerge.

Madam Speaker, this is where our report ends. Thank you very much.

THE SPEAKER: Honourable members, you have heard both the majority and minority reports. Hon. Silas, do you have something to say?

1.46

MR SILAS AOGON (Independent, Kumi Municipality, Kumi): Madam Speaker, this is an opportunity for us to speak for the people. How I wish everyone was actually in the House because this is the time that matters most – starting with the issue of hiking taxes on fuel.

I do not agree with the committee or the minister. I agree with the minority report. The issue is that, at this time, we are talking about what is happening in the Strait of Hormuz. All of us watch TV when we go back home. The moment Trump says, “We are not going to have peace talks”, prices go up”. When he

changes his mind, something stabilises a little.

Madam Speaker, how long shall we have this kind of mindset, where we do not think about the current situation in the world? I thought when we are discussing tax policy, we should look at the situations generally.

Away from that, Madam Speaker, there is the issue of cement. Come to my constituency and see the need for people to construct decent housing. How can we, on earth, think that we should levy more tax on cement, grout, adhesive and the rest? Instead, we should be talking about removing taxes on cement so we boost construction. Also, there is a big marriage between the construction industry and tourism.

Last time, you told us that you wanted to boost tourism. How can you boost it when you are increasing taxes on cement? It does not work like that.

Lastly, Madam Speaker, the issue of taxing is okay with me. We want to discourage it so let us look for alternatives. However, we cannot be seen to be the ones in this House to tax those that I have talked about. Eliminate the fuel tax and cement, and then we can agree.

THE SPEAKER: Hon. Connie? There is a point of procedure. Hon. Isaac?

1.48

MR ISAAC OTIMGIW (NRM, Padyere County, Nebbi): Madam Speaker, I am rising to move a motion. The motion is that we proceed to the Committee Stage to consider this item clause by clause. It will allow us to debate it and put our points across to support whatever clause we want to change.

THE SPEAKER: Honourable members, there is a motion on the Floor.

MR SSENYONYI: I want to oppose the motion. First, Madam Speaker -

THE SPEAKER: The motion is not even seconded.

MR SSENKYONYI: There seems to be no seconders.

THE SPEAKER: No, I have not asked for a secondment. For procedure, let me finish and I will give you time. Honourable members, do you second that motion? Seconded by Hon. Omara, Hon. Amos, Hon. Musasizi, Hon. Gabriel, Hon. Isaac, and Dr Emily. Hon. Isaac, justify your Motion.

MR OTIMGIW: Thank you, Madam Speaker. When we move to the Committee Stage, we look into the details; clause by clause. It allows us to amend accordingly if we wish, and handle the same issues that we are doing now, that is, debate on the issue. This way, it will have an effect to be adopted, amended, or we stand over it.

THE SPEAKER: Hon. Aogon, you have spoken about cement so when we are on that clause, we shall debate exhaustively and agree or disagree. That is what Hon. Isaac is talking about. Let me first hear from my good LoP.

1.49

THE LEADER OF THE OPPOSITION (Mr Joel Ssenyonyi): Madam Speaker, today, we are really being taken at a terrific speed. There was a suspension of rules to say, let us not -

THE SPEAKER: After calling you my good LoP?

MR SSENKYONYI: Then let me show you that I am bad. *(Laughter)*

THE SPEAKER: LoP, if you are not in agreement with what he has said, it is okay. We can debate. I do not have a problem with that. I can tell you I have all the time. We are here. Even up to midnight, we are here. Members, let us debate.

MR SSENKYONYI: Thank you for conceding to our insistence that we debate a bit of the principles. Madam Speaker, there is a reason the two processes are provided for: debate of the general principles and Committee Stage. By the way, at the Committee Stage, the rules do not allow us to debate -

THE SPEAKER: Hon. Connie was on the Floor.

MR SSENKYONYI: Madam Speaker, don't you want me to finish what I was saying?

THE SPEAKER: Now we are debating.

MR SSENKYONYI: Okay, I will come back.

1.52

MS CONNIE GALIWANGO (Independent, Woman Representative, Mbale City): Thank you, Madam Speaker. I thank both committees for their reports. I support the minority report but not entirely.

Madam Speaker, what has been put forward affects the lowest person. Whatever concerns the lowest person - It is recent that people have begun to build. Now, if the cost of cement goes up, they will never build at all. We will get back to mud, wattle and timber, which is outdated given the fact that we are moving to a middle-income status as a nation. It is going to be very outdated for us to go back to that.

Secondly, Madam Speaker, cooking oil affects -

THE SPEAKER: How much is 50kg of cement now?

MS GALIWANGO: It is Shs 35,000.

THE SPEAKER: There is CEM I and CEM II. They differ. If it costs say, Shs 35,000, it will go to Shs 36,000. Isn't that so?

MS GALIWANGO: No. It is per kilogramme.

THE SPEAKER: A bag is 50 kilogrammes.

MS GALIWANGO: Yes. Madam Speaker, it is evident that right now, the people involved in small businesses are the youth and the women who basically rely on baking like making *chapattis, mandazis*. They survive that way.

Madam Speaker, if cooking oil is again hiked, we are going to have a lot of unemployment,

and a high crime rate. Moreover, they have destabilised them. They cook from their homes and move around with these products, which are consumed by people who move up and down every other day. If we do that, we deprive them of their rights.

Madam Speaker, the cheapest means of transport in this country is boda boda. Many times, I, inclusively, use it especially when I am caught up in a traffic jam. First of all, they are struggling with the Shs 200,000. If we hike it to Shs 500,000, aren't we rendering them jobless, yet unemployment is on the rise and our youth are basically involved in that transport sector. Madam Speaker, let it remain Shs 200,000.

THE SPEAKER: Honourable members, whoever is submitting should know that we must raise money. These people want good roads and hospitals. For instance, on cement, we would say, this should be an ideal position or a middle ground. We cannot forever say that this is it. We are not static. Present your suggestion that a, b, c, d - This will enrich the debate.

MS GALIWANGO: Thank you, Madam Speaker. It has been at Shs 200,000, and they are struggling. Can we increase it to Shs 250,000?

THE SPEAKER: Okay. How about cement?

MSGALIWANGO: The cement - (Honourable members: "Zero".)

THE SPEAKER: No. You cannot say zero when you are the same people complaining of bad roads and lack of hospitals. Leave Hon. Connie. You are not her assistant.

(Whereupon, the Deputy Speaker, Mr Thomas Tayebwa, entered the Chamber.)

THE SPEAKER: What is the procedural point about? He is a Member of Parliament for Mitooma. He has just come to tell me that he loves me. That is, it. *(Laughter)*

MR SSEMUJJU: Madam Speaker, there are standard procedures for receiving the Speaker or Deputy Speaker. For the Deputy Speaker to sneak in like that -

THE SPEAKER: He is a Member of Parliament, and I am happy he came. Join me in clapping for him for coming. *(Applause)* Thank you for coming, Hon. Thomas. Yes, Hon. Ekanya?

1.58

MR GEOFFREY EKANYA (FDC, Tororo North County, Tororo): Madam Speaker, the issue of cement is very serious. We are very lucky in Tororo and we need to find out why Tororo has the three biggest cement plants in this country. The reason is that Tororo is a hub for distributing cement to Sudan, Kenya, Kampala and DRC.

Madam Speaker, if we increase this tax - our cement is exported to DRC and as we talk, Rwanda has cement plants that were almost out of production. The two cement plants have now emerged, and they are producing cement in a very big quantity and competing with us for the market in DRC. It is going to have a serious impact on us. You will lose the tax you are proposing to collect because more than 50 per cent of cement produced here is sold in DRC.

Madam Speaker, sugar employs more than 80,000 young people. We need to find out why we majorly export sugar to the DRC. In fact, as we talk and because of geopolitical reasons, Tanzania, Rwanda, and Burundi bring sugar from Brazil, *re-bag* it as East African sugar and it is entering DRC.

Honourable minister, you need to carry out research when you want to introduce tax. Look at the region. If you increase the tax on sugar, you will allow sugar from other regions to enter DRC, and we will not have a market for our sugar.

The other issue pertains to boda bodas. Many young people who clobber people in town are in the boda boda industry. By increasing the

tax by Shs 500,000, you are going to increase thuggery in this town and many young people will be unemployed.

THE SPEAKER: Yes, senior youth.

MR RUGUMAYO: Thank you, Madam Speaker. When we enact our rules here, they are intended to protect us and save our time. Our good Member of Parliament here, is a Member of the Committee on Finance, Planning and Economic Development. I imagine that during the course of the debate in the committee, we received the same but the majority took the day.

Madam Speaker, would it be procedurally right for you to guide whether the Member is proceeding well or not to take us through the debate again yet previously, he had the same debate? Thank you.

THE SPEAKER: Honourable members, we are now having the Committee of the whole House. Leader of the Opposition (LOP), can I conclude with you?

MR EKANYA: Madam Speaker, therefore, I would like to request you to exercise restraint on fuel because it already has a trigger on all the products across. In fact, your friend, His Excellency, William Ruto, the President of Kenya, has reduced taxes and is even procuring financing from international lenders.

THE SPEAKER: Honourable member, our fuel prices are lower than in Kenya. Kenya is at KES 70. Multiply that by Shs 30.

MR EKANYA: Madam Speaker, you have a point but ours is temporary.

THE SPEAKER: The good thing is that you said “My friend, His Excellency Ruto”. So just know that we are in touch.

MR EKANYA: Thank you very much. I know because you used to delegate me to deliver your messages. *(Laughter)* Yes, that is a fact.

Madam Speaker, our situation is going to worsen. As we speak, most petrol stations are drying out. Therefore, I would like to urge the Government - I know you are now in power but in this short period, we need to reconsider the taxes we are introducing.

Lastly, on cooking oil, we are likely to have contaminated cooking oil in the market, and that will increase health costs. Therefore, I would like to propose how we can raise revenue. Can we tax brand-new cars since these cars are owned by people who have money? Let us increase the tax on them. That way, we shall be able to collect more money.

Madam Speaker, in some countries within Africa, people who go to hotels buy a bottle of beer at Shs 20,000. Then you drink a bottle of soda, at Shs 10,000. Let us increase tax on these hotels.

THE SPEAKER: On beers?

MR EKANYA: Yes, on beers sold in Sheraton and Serena hotels. We will be able to cushion the gap because we need money. I thank you very much.

THE SPEAKER: LOP?

2.04

THE LEADER OF THE OPPOSITION (Mr Joel Ssenyonyi): Madam Speaker, firstly, you see this Parliament keeps being taken for granted. On an annual basis, we have been reminding the Executive about the comprehensive taxation policy. Last year, we insisted on the same matter.

Hon. Musasizi told us that the comprehensive taxation policy is going to come. I stood, insisted, and I said, “Can we have a timeline on this?” Hon. Henry Musasizi from Rubanda, the Minister of State for Finance, Planning and Economic Development (General Duties), stood and spoke on this microphone and told us that by the end of 2025, the taxation policy would be brought to the House so that by the time we get into the next fiscal year budget

process, we would have had that taxation policy. You promised here on the Hansard.

We are now in 2026 and coming to the end of April. Did you tell us a lie? What happened? Maybe he encountered some challenges. We need to know. Madam Speaker, a taxation policy sets the foundation that will advise you on what taxes to increase or reduce, what to do away with, etcetera. Otherwise, we keep gambling and say, now, let us increase taxes on building materials. Yet, you do not know the ripple effect it is going to have.

We are trying to fight out inadequate housing but you are making it even harder. Now, you want to increase the fuel and all of these different things. What is informing the decisions the finance ministry is taking and thereafter bringing to this House to take us alongside them?

Madam Speaker, we need an update on the promise that was made here, that by the end of 2025, the taxation policy would be here. Otherwise, I am concluding that the minister for finance was telling us a lie.

Finally, Madam Speaker, with specificity to the Shs 200 that the Government wants to increase as a tax on fuel, the chairperson of the committee gave us feedback that the ministry for finance told the committee that this Shs 200 increment is not problematic and that it will not have so much of a burdensome effect. That is the feedback the chairperson gave us, as told to him and the committee by the ministry for finance.

Madam Speaker, this is not true. The thing about fuel is that however slight the increment, there will be a ripple effect on all goods and services. That is just the way it is - artificially, by the way. Shs 200 might appear small but people will go to purchase clothes or food and they will tell them, the prices of fuel went up and everything will be blamed on an increment on fuel prices. I hope we consider these things.

When we are told where will the Government get the taxes to build roads and all of these

different things? Madam Speaker, you need to establish that when you increase this, it will affect even your ability to collect what you have been collecting without a doubt. I hope that the Government thinks through these things.

Madam Speaker, the Inspector General of Government has issued a report and told this country that we lose Shs 10 trillion to corruption per year. Can we stop stealing taxpayer's money? When you say, "We do not have money, where should we get the money from?" That is why you are increasing taxes on fuel, building materials, and so on. Let us just stop stealing the money that is collected.

You collect and then you steal and you are asking where it should come from. Let us be prudent in using what we collect. Those are not my words, but the Inspectorate of Government, a Government entity. Can we address that theft by government officials? You collect, and it is the same government officials who are stealing. Then they tell the taxpayer, "You see, we need to build your roads, hospitals, and so on," but you are stealing the money that should be doing these things.

We need to stop blackmailing the taxpayer by saying that we are increasing so that we can avail services; that money is not adequate. The money is there. Let us have stop-gap measures to stop the grand theft that keeps happening. There is information from the honourable –
(*Interruption*)

MR ODUR: Thank you, Madam Speaker and the Leader of the Opposition. The information I want to give to you is that the key stakeholders in this country, including the taxpayers who are listed, came and appeared before the committee. Some of them are paid very highly by their companies to give their opinions, which they put in writing. Some of them are hired experts. They appeared before the committee and they gave their input which should have been taken into consideration.

However, the committee decided to disregard all that information provided by experts touching the matters that are before us, the

effect of the increment on cement, et cetera. I would like to inform you that the work of this committee, as it has been brought to us here, disregarded all the efforts that were given to them.

Precisely, that is the reason they are always in a hurry to bring – *(Interjection)* - I will take your information. I want to conclude. That is the reason why the committee chairperson is even hiding the minutes which he laid here. When we wanted to access the minutes so that I could point to him that these are the stakeholders, he quickly pulled them and put them very far from that side. *(Laughter)* Now I can receive your information.

THE SPEAKER: Let us have the information.

MR KANKUNDA: My brother, Hon. Odur, is spinning things unnecessarily. I would like to give information, Madam Speaker, that the committee received all this information and engaged. It is not true that whatever we receive, we buy in wholesale. We only receive and try to make an adjustment as necessary. That is why you see in our proposals that there has been an adjustment on cement, sugar, and other adjustments. Why? It is because we also consider other issues, not only the views of the stakeholders. Thank you.

THE SPEAKER: Thank you. Yes, Youth representative?

MR RUGUMAYO: Madam Speaker, thank you for the opportunity. Sitting on this other side of this House, I am filled with pain that whereas our committee gave a wonderful report, the minority report feels like a commentary. It divests itself of the real fact that the Government is faced with a paradox, at all times, to provide services.

Madam Speaker, we must also note that some of the assertions accentuated by our colleague Member in the minority report are subjective in nature. They are not comprehensive. For example, when we come here and say, “Don’t raise anything on cement.” Yes, it is true.

A slight increase on cement would directly increase the cost of construction and pull out players in the sector.

However, if you consider that alone, you are being subjective because if you ask the honourable member representing Kira the direct relationship between the newly constructed roads that are going to Kira Division and the rate at which housing units are being put up, you will see that when we supply infrastructure, we enable key players in the sector to provide for housing.

Therefore, we should not be gagged to think that when matters are brought and sensationalised here, we should fear to debate them.

I want to propose that, whereas a Member here seeks to sensationalise that increasing taxes on boda boda or motorcycles is detrimental - Yes, I can take a middle ground and say, yes, we could have a slight increase, but we can also - here, because we are policymakers - make firm proposals on how we can formalise the informal sector in the boda boda sector. *(Hon. Aogon rose_)*

THE SPEAKER: He was on a point of procedure.

MR RUGUMAYO: Madam Speaker, and the chairperson of this committee, our Members on the opposite side need to understand that every other time the Government is faced with a paradox of supplying infrastructure and providing services, these are the ones that actually drive the other sectors that we feel are so important. Thank you, Madam Speaker.

THE SPEAKER: Thank you. Honourable members, Kumi Municipality that is represented by Hon. Aogon has the best roads, the best roundabout, and the best lighting. That does not just come from heaven. We need to do these taxes in a progressive manner. That is why I was saying we could get a middle ground. We do not have to take everything. Get a middle ground; we grow bit by bit, year by year.

I put the question that the Excise Duty (Amendment) Bill, 2026 be read for the second time.

(Question put and agreed to.)

BILLS
COMMITTEE STAGE

THE EXCISE DUTY (AMENDMENT)
BILL, 2026

THE CHAIRPERSON: The minister moved the motion.

Clause 1

THE CHAIRPERSON: Hon. Karim, do you have an amendment? I put the question that clause 1 stands part of the Bill.

(Question put and agreed to.)

Clause 1, agreed to.

Clause 2

THE CHAIRPERSON: Amendment.

2.15

THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING, AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda): Madam Chairperson, the committee proposes to amend clause 2 as follows:

(a) In paragraph (b), by substituting for item 7, the following: “cement, adhesive, grout, white cement or lime, Shs 750 per kilogramme.”

THE CHAIRPERSON: Per 50 kilogrammes.

MR KANKUNDA: Yes, per 50 kilogrammes, I beg your pardon. Let me repeat. By substituting for item 7, the following: “cement, adhesive, grout, white cement or lime, Shs 750 per 50 kilogrammes.”

(b) in paragraph (d), by substituting for the proposed item 9, the following:

“9. Cane or beet sugar and chemically pure sucrose in solid form, Shs 200 per kilogramme.”

(c) in paragraph (e), item 11(a), by inserting immediately before the word “sacks” the words “plastic granules and plastic products.”

Justifications

1. The proposed Shs 1,000 features a 100 per cent increment from Shs 500, which is excessive. Shs 750 per 50 kilogrammes is to provide a reasonable, gradual increment of 50 per cent from Shs 500 to Shs 750 per 50 kilogrammes.
2. The proposed Shs 300 features a 200 per cent increment from Shs 100, which is excessive. Shs 200 per kilogramme is to provide for a reasonable gradual increment of 100 per cent from Shs 100 per kg.
3. To include plastic granules and plastic products in the item and, therefore, taxable at a rate of 25 per cent or 1,500 per tonne, whichever is higher.

I beg to submit.

MR SSEMUJJU: Madam Chairperson, my proposal is to deal with these items one by one. You have petroleum, sugar and cement. It will be very difficult to take a decision on all of them at once. So, my suggestion is that we deal with them one at a time.

Madam Chairperson, I also do not want to be a bad man. You have a proposal on cement. The Government wants Shs 1,000 per 50 kg. The majority are saying Shs 750. I am proposing a middle ground of Shs 150.

THE CHAIRPERSON: Do you want it to become Shs 650?

MR SSEMUJJU: No.

THE CHAIRPERSON: Remember it has been Shs 500.

MR SSEMUJJU: Yes. Where I want to differ is on petroleum.

MR MASABA: Madam Chairperson, our minority report and our harmonised position is that we amend part 7, which talks about cement, adhesive, grout, white cement and lime and replace it with Shs 650 per 50 kg.

THE CHAIRPERSON: Can we hear from this side?

MR MUSASIZI: Thank you, Madam Chairperson. I propose a middle ground that instead of Shs 1,000, we move to Shs 800.

THE CHAIRPERSON: Committee chairperson? That is not the middle ground. The middle ground is the chairperson's version.

MR KANKUNDA: I would like to affirm, Madam Chairperson, that the position of the committee was the actual middle ground. When you propose Shs 500 as an increment and we come up with Shs 250, we think that was a reasonable middle ground.

THE CHAIRPERSON: Thank you. Those in favour of Shs 750 say "Aye" and to the contrary "Nay". The "Ayes" have it.

THE CHAIRPERSON: Go to the next item, Hon. Ibrahim.

MR SSEMUJJU: Madam Chairperson, there is a proposal of Shs 200 on – (*Interjection*) - we are on fuel; that is what follows cement.

THE CHAIRPERSON: On cane or beet sugar?

MR SSEMUJJU: You are jumping fuel. The Bill has fuel, where the Government is proposing a Shs 200 increment. The Institute of Certified Accountants – and I think UMA – said we can take care of the inflation because Shs 1,550 is not the same this year. They proposed Shs 50.

THE CHAIRPERSON: So, it would go to Shs 1,600.

MR SSEMUJJU: Yes, that is our proposal.

These are experts who said we should deal with inflation without having to burden the economy, production, transport, etc. The justification is here.

THE CHAIRPERSON: Minister? (*Mr Aogon rose*) Hon. Silas, we debated this report. Shall we finish?

MR MUSASIZI: Thank you, Madam Chairperson. It is true that we normally adjust the tax on fuel to take care of inflation. The last adjustment we made was in 2024. That was two years ago. That is why Shs 200 is appropriate. I invite colleagues to support our proposal. It will take care of the adjustment for inflation. The committee has looked at this and we have provided the justification and the committee also agrees with our proposal, Madam Chairperson.

MR KANKUNDA: Madam Chairperson, the middle ground arrangements that the committee used, as an approach, gave us an impression that this should be left the way it is proposed. That is why, in our report, we did not adjust it.

We also realised that it is a source that would adjust, as of necessity, the supply need that colleagues are talking about when adjustments are made elsewhere. That is why the adjustments of reducing on sugar and cement are catered for without necessarily affecting the inflation rate that we considered.

THE CHAIRPERSON: I put the question that the proposal on gas oil stands part of the Bill.

(Question put and agreed to.)

MR SSEMUJJU: What have we voted on?

THE CHAIRPERSON: ... and motor spirit. That is gas oil.

MR SSEMUJJU: Ours was the first, that -

THE CHAIRPERSON: I am on the report. I am putting the question on the report.

MR SSEMUJJU: Madam Chairperson, you invited me, first, to make a proposal. So, why don't you -

THE CHAIRPERSON: Your minority report is part of the report.

MR SSEMUJJU: But the report has two positions. Have we taken both?

THE CHAIRPERSON: Okay, can I put the question on yours, too?

MR SSEMUJJU: Can I restate it for colleagues?

This is what UMA and the Institute of Certified Public Accountants told us. They said that to deal with inflation, you move from Shs 1,550 to Shs 1,600 for petrol. For diesel, you add Shs 50 and go to Shs 1,280. That is the proposal. Really, people who appear before us should also have confidence that we take care of them. This was the Institute of Certified Public Accountants of Uganda *-(Interjection)* - You wanted experts, it is not my view.

MR MASABA: Madam Chairperson, just to make an addition, every witness we interfaced with was against this proposal and no one supported this increment because it is quite huge, given that we have a lot of instability in the Middle East and prices are going up. They said that since each year we are having this excise duty amended, that can come after a year when things are stable.

THE CHAIRPERSON: They said this one was amended in 2024.

MR MASABA: Last year, they brought it and this House stood against it because of certain reasons. As the minority, we have decided to come up with a common position, but the minister does not want to leave his position.

Let us look at Shs 100 instead of the Shs 200 because, honestly speaking, we need to be sensitive about the fuel prices in the country. Minister, next time we will have another discussion after we have seen how these wars will have affected the fuel prices. We do not

know when it is going to end and our people out there are very concerned about the fuel prices.

Madam Chairperson, we are shifting again from the views of the witnesses of Shs 50 to 100, and I request that the honourable minister concedes to this.

THE CHAIRPERSON: Minister, can you give us the implication of that proposal on revenue projection? If somebody needs time; what time?

MR MUSASIZI: Madam Chairperson, the implication on revenue, if we pass this proposal to increase tax on diesel and petrol, will give us Shs 450 billion.

THE CHAIRPERSON: That is at Shs 200.

MR MUSASIZI: Yes. If we do not pass it, we are forfeiting Shs 450 billion.

THE CHAIRPERSON: If we pass it at Shs 100, that will be half of that.

MR MUSASIZI: Madam Chairperson, I want to appeal to the House again that we are in this to look for revenue to finance the budget, so if we lose these proposals – *(Interjections)* - because everyone is saying, yes, let us increase. The question is, by how much? We are saying, since you agree that we increase, let it be by Shs 200. This is because, Madam Chairperson – *(Interjections)* - you cannot say - *(Hon. Nandala-Mafabi rose)* - just a minute, Hon. Nandala-Mafabi - What is happening in Iran now cannot be the basis of our decisions here because we do not have control over them. We do not know when this war will end. You cannot say – *(Interjections)* – we cannot legislate because there is war in Iran. What if it moves from Iran to somewhere else?

The principle is that fuel prices must adjust to inflation, and we are saying that the adjustment is Shs 200.

MR RUGUMAYO: Madam Chairperson, just to add to what the minister is putting forward, I want to appreciate this good Parliament. We

moved a great length last year - (*Hon. Aogon rose*)

THE CHAIRPERSON: Let us have respect for colleagues.

Honourable members, I thought I had already guided that this is a Committee of the whole House. He is not debating the report.

MR RUGUMAYO: I am not a member of the committee, Madam Chairperson. I am adding to what the minister has just put forward.

THE CHAIRPERSON: Hon. Aogon, you are my Old-Boy. I thought we joined together. Do not be a shame to us.

MR RUGUMAYO: Madam Chairperson, I beg to be protected so that I can move forward.

For sure, an increment of Shs 200 has a ripple effect on our economy, but we must also appreciate that this Parliament moved a great length last year when we passed the Act that cushioned our consumers from retail suppliers of gas and fuel. Therefore, it is with that firm assurance that we should move forward, knowing that our consumers have been cushioned and allow the Government because we are also facing the demand that in these five years, we should move forward greatly and improve our infrastructure.

Madam Chairperson, I was here when a Member noted that you are friends with our great President of a neighbouring country, His Excellency Dr Ruto. As you can see, recently, a statement came out that said they are a middle-income country and we are a low-income country. We only have 6,000 kilometres of roads, and we should move forward, but we cannot move forward if we do not allow some of these monies to be raised and we construct roads. Thank you very much.

THE CHAIRPERSON: Thank you.

MR NANDALA-MAFABI: Thank you very much, Madam Chairperson.

We can raise money, and I know my brother here knows. Currently, in this country, there is a lot of money lying redundant, and it can be got. Uganda Revenue Authority (URA) is not sitting on its job. Back-duty, if implemented, can be done.

Let me give a simple example. Recently, a civil servant, or a public officer gave a child who cannot drive, a car worth Shs 100 million or more - Shs 200 million. That clearly shows that by the time she did that, she must have income that she is not declaring. If this was Kenya or Tanzania, by now back-duty would be there to find out what the source of the money was, and where it was hidden. That also shows that she has been stealing public money which we are not aware of.

Madam Chairperson, on this, where you are taxing our small people, we must deal with it. A few of us, who are paying taxes, are really under -

THE CHAIRPERSON: There is a procedural matter.

MR RUGUMAYO: Madam Chairperson, in our mode of debate and by our principles here, we need to run away from being subjective in nature.

Secondly, Madam Chairperson, our Members on the other side have been arguing that we should have a comprehensive tax policy, and they have been putting us at gunpoint. However, the same Members are putting forward very subjective proposals by discussing individual lives.

I would like to also inform them that whereas you are proposing such taxes, cars are the most taxed items in this country. Therefore, when an individual member of the community buys a car, it means they have gone to great lengths to pay their tax.

Madam Chairperson, is it procedurally right that a Member continues and moves forward to debate the individual and luxury lives of members of the community, arguing that those

are pockets that should be taxed more? I beg to be guided.

MR NANDALA-MAFABI: I am sure that Madam Chairperson cannot even manage to rule on this. You are a child of Professor Rugumayo, the gang of four and you should be debating better. I am saying that back-duty is where you go back and understand how somebody generated their income.

THE CHAIRPERSON: Hon. Nandala-Mafabi, recently it was my birthday and you should have also bought me a car. *(Laughter)*

MR NANDALA-MAFABI: I do not declare, I bring mine.

THE CHAIRPERSON: Honourable member, let us not talk about private persons.

I put the question that clause 2 be amended as proposed by the committee.

(Question put and agreed to.)

Clause 2, as amended, agreed.

MR SSEMUJJU: Madam Chairperson, we had said we would go item by item. We dealt with some, but there are also others following sugar and others. I seek clarification -

THE CHAIRPERSON: Hon. Ekanya, please sit down.

MR EKANYA: Thank you, Madam Chairperson -

THE CHAIRPERSON: Hon. Ekanya, please first sit. Do you know that by the time I leave here, I will have headache because of you, Hon. Ekanya?

MR MUSASIZI: Madam Chairperson, we do not have any strong departure from what the committee is proposing. However, there is something I would like to clarify.

On the proposal in clause 2(c) paragraph (e), item 11(a) where the committee is inserting

immediately -

THE CHAIRPERSON: He is basically making a clarification.

MR MUSASIZI: Before the word “sacks,” the words, “plastic granules, plastic products,” we would like to propose that this should exclude granules used in the manufacture of multiple use products such as water tanks, pipes and plastics for packaging pharmaceutical products and their raw materials.

Title

THE CHAIRPERSON: I put the question that the Title stands part of the Bill.

(Question put and agreed to.)

The Title, agreed to.

MOTION FOR THE HOUSE TO RESUME

2.40

THE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Chairperson – *(Hon. Ssemujju and Hon. Odur rose)*

THE CHAIRPERSON: That report we passed was very clear. That was what I put the question to. Let us first resume and I put on my wig.

MR MUSASIZI: Madam Chairperson, I beg to move a motion for the House to resume and the Committee of the whole House reports thereto.

THE CHAIRPERSON: I put the question that the House resumes and the Committee of the whole House reports thereto.

(Question put and agreed to.)

(The House resumed, the Speaker presiding)

THE SPEAKER: Honourable members, we can have a working lunch. I am taking my tea here.

REPORT FROM THE COMMITTEE OF
THE WHOLE HOUSE

2.42

THE STATE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, I beg to report that the committee has considered the Bill entitled, “The Excise Duty (Amendment) Bill, 2026 and passed it with amendments.

MOTION FOR ADOPTION OF THE
REPORT FROM THE COMMITTEE OF
THE WHOLE HOUSE

2.42

THE STATE MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, I beg to move a motion that the report from the Committee of the whole House be adopted.

THE SPEAKER: I put the question that the report from the Committee of the whole House be adopted by this august House.

(Question put and agreed to.)

Report adopted.

BILLS
THIRD READING

THE EXCISE DUTY (AMENDMENT)
BILL, 2026

2.43

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, I move a motion that the Excise Duty (Amendment) Bill, 2026 be read for the third time and do pass.

THE SPEAKER: I put the question that the Excise Duty (Amendment) Bill, 2026 be read a third time and do pass.

(Question put and agreed to.)

A BILL FOR AN ACT ENTITLED, “THE
EXCISE DUTY (AMENDMENT) ACT,
2026”

THE CHAIRPERSON: Title settled and the Bill passed.

BILLS
SECOND READING

THE TAX PROCEDURES CODE
(AMENDMENT) BILL, 2026

THE SPEAKER: Pursuant to Rule 136(1) of the Rules of Procedure of Parliament, I now invite the Minister of Finance, Planning and Economic Development to move a motion for the Second Reading of the Tax Procedures Code (Amendment) Bill, 2026.

2.43

THE STATE MINISTER FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, I beg to move a motion that the Tax Procedures Code (Amendment) Bill, 2026 be read for the second time.

THE SPEAKER: Is it seconded? It is seconded by Hon. Amos, Dr Ayume, Hon. Isaac, Hon. Leticia, Hon. Patience, Hon. Edakasi, Hon. Cathy, Hon. Adoa, Hon. Alanyo and Hon. Vicky, Hon. Omoding, Hon. Silas, Hon. Lillian, Hon. Gureme and Hon. Phyllis. Speak to your motion.

MR MUSASIZI: Madam Speaker, briefly, the object of this Bill is to amend the Tax Procedures Code Act to revise the penalties for penal tax relating to tax stamps, electronic receipting and electronic invoicing and to provide for waiver of tax outstanding as at 30 June 2016. I submit, Madam Speaker.

THE SPEAKER: Thank you. The committee chairperson is ready to report and it has no minority report.

2.45

THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda):

Madam Speaker, the Tax Procedures Code (Amendment) Bill, 2026 was forwarded to the committee and the committee hereby reports.

The committee observes and recommends as follows:

1. Penal tax for tax stamps.

Clause 2 of the Bill proposes to reduce the penalty for tax stamps to 100 currency points equivalent to Shs 2 million from 2,500 currency points equivalent to Shs 50 million. This penalty applies where a person is found in possession of goods on which a tax stamp is required but has not been affixed.

The ministry identified and indicated that the current penalty of the Shs 50 million, although deterrent, has been found difficult to pay especially for businesses with small transactions. In such cases, the existing penalties can be disproportionate and may exceed the capital of the business.

The proposed amendment introduces a more appropriate penalty for possession of unstamped goods while maintaining strict penalties for the manufacturers who fail to stamp their products. The penalty for manufacturers remains unchanged at the Shs 50 million.

The committee observed that:

- i) Although the current penalty of Shs 50 million has a strong deterrent effect, it has proven difficult for businesses with small-value transactions to pay. In such cases, the penalty may be disproportionate and may exceed the working capital of the affected business; and
- ii) The reduction will introduce a more appropriate and enforceable penalty regime, particularly for small, medium and small-sized enterprises while maintaining the same penalty for manufacturers.

The committee recommends that clause 2 of the Bill be adopted.

2. Waiver of interest and penalty upon payment of the principal tax

Clause 3 of the Bill proposes an insertion of section 47(c) in the Tax Procedures Code Act 2026, which provides that any interest and penalty outstanding as at 30 June 2016 and is outstanding at the commencement of this Act is waived.

On 13 May 2025, you may note, Parliament considered the Tax Procedures (Amendment) Bill, 2025 and the committee report indicated that a similar provision was introduced in 2023 and 2024 by the Minister of Finance, Planning and Economic Development and passed by Parliament. The proposal was aimed at providing taxpayers with an additional time to resolve outstanding tax issues, stabilise their cash flows, and settling obligations.

The committee observed that many taxpayers have not benefited from this - the 2023 and 2024 amendments were made - because the outstanding issues were with their respective URA ledger reconciliations. Therefore, the committee recommended that the proposal amendment to extend the wave of interest and penalty upon payment of the principal tax be adopted and encouraged URA to clean up the tax ledgers to address the numerous taxpayers' complaints. Parliament adopted the above amendment and as such it formed part of the Tax Procedures Code Amendment Act, 2025.

The ministry informed the committee that the waiver is intended to restore the integrity of the taxpayers' ledger and reduce the ongoing disputes, including litigation, where URA has faced challenges.

By clearing these legacy balances, URA can focus on current and enforceable tax liabilities - those are the waivers we are talking about - which are easier to manage and collect. The measure will also improve the functioning of the electronic tax system by removing outdated and disputed entries, resulting in cleaner and

more reliable taxpayer records. This is expected to enhance compliance and build greater trust between the taxpayers and the tax authority.

The committee observed that:

- i) Many taxpayers were unable to realise the benefits of the prior legislative amendments due to persistent discrepancies in the URA ledger reconciliation; and
- ii) The proposed amendment under clause 3 of the Bill will enable these taxpayers to benefit from the amendment for the specified period.

The committee therefore recommends that clause 3 of the Bill be adopted.

Revision of penalties for non-compliance with electronic fiscal devices

Clause 4 of the Bill proposes an amendment to Section 93 of the principal Act to review the penalties for non-compliance with electronic fiscal devices. It is imperative to note that this section was amended in the Tax Procedures Code (Amendment) Act, 2025 by imposing a penalty to double the tax due on the goods or services. The amendment is changing the penalty to double the tax due on the goods and services of 10 currency points, whichever is higher for both non-use of EFRIS devices or for non-issuance of an e-invoice or e-receipt, or tampering with an electronic fiscal device.

The committee was informed by the Ministry of Finance, Planning and Economic Development that under the current law, the penalty is tied to double the tax due on the goods or services. This approach worked when the EFRIS was applied mainly to VAT-registered businesses where the tax due was VAT. However, EFRIS has now been extended to businesses that are not VAT registered. In these cases, there may be no identifiable tax on the transactions, making it difficult or impossible to apply a penalty based on the tax due.

This creates legal uncertainty and inconsistent enforcement. The amendment addresses

this gap by introducing a minimal fixed penalty through a currency points threshold. This ensures that the penalty can be applied consistently across all businesses, including those outside the VAT system. The committee observed that the penalty was set at double the tax due on goods and services.

This worked well for VAT-registered businesses. However, EFRIS has been extended to non-VAT registered businesses, and in this case, there is a challenge in identifying the tax due on the transaction.

This makes it difficult for URA to calculate and apply the penalty consistently. It has also led to legal uncertainty and uneven enforcement. This amendment introduces a clear penalty which can be applied to all businesses, whether VAT registered or not, ensuring consistent enforcement.

The amendment will thus ensure compliance with EFRIS. The committee recommends that clause 4 be adopted.

In conclusion, Madam Speaker, the committee recommends that the Tax Procedures Code (Amendment) Bill be passed.

THE SPEAKER: Thank you. It does not have a minority report. There is a motion.

MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko): Madam Chairperson, we would like to thank the ministry for really looking at the ledgers. Ledgers have been a big problem for this country, for the taxpayers.

The only problem here is that by the time we are correcting the mistake, many taxpayers have already suffered. This is because they have been taking money - they would apportion it between principal and interest.

I would like to propose that for the purpose of now, we need you to go back and review this. The reason I am raising it is that the best period would have been up to 2020. However, you have decided to do it up to 2016. The ledgers

came in place from 2011. (*Hon. Kateshumbwa rose_*)

MR KATESHUMBWA: Madam Speaker, the information I would like to give my colleague is that the effort that has been put up to 2016 is commendable. However, the business rules that prioritised the payment of penalty and interest over the principal came in force in 2018.

For me, to reinforce your point would be to look at the extension of the penalty waiver but maintain 2016 and then we get a report next year to see how the taxpayers have utilised this window to benefit from this measure.

MR NANDALA-MAFABI: I have no objection to that. That is why I am raising that the minister should go back and review it. We are aware you will come back as a minister. If you miss, we shall be - He is working for his job right now.

You have to review it because it would have been even more beneficial for the people who lost - as he has said, up to 2018. First remove interest and leave the principal. When the principal accumulates, it again attracts interest and penalty. We tried to solve this, this financial year whereby we pushed it to June 2026.

Now, since you have agreed that we want to move that way, we are going to say that anybody who pays his principal tax, interest and penalties will be waived up to June 2027. Let us add one year as we also resolve this. Otherwise, I would have asked for four years, but for the purpose of resolving this, let us ask for one year. I think that will be a win-win situation.

MR JONATHAN ODUR (UPC, Erute County South, Lira): Madam Speaker, I have a different opinion. In principle, what the Government is asking us to do is to do retrospective legislation, meaning there are guiding principles for you to do that.

First of all, you must do it with facts. Unlike the other taxes, going forward where we can

project, this one means there is certainty. They know who, by 2016, had not paid taxes. Those people must be brought to the attention of Parliament. The risk is, you can pass when they have hidden - there is a taxpayer with billions in 2016 who has been hiding, dodging, and now they bring it here for all of us to approve. Then some few people will go and get a portion of that money owed to the Government, and they benefit from it.

Therefore, my point is that because we are legislating backwards, the Ministry of Finance and URA should lay the facts here so that anyone can look at that list and say that by 2016, the following companies or individuals had not yet paid. So, we are looking at Shs 500 billion, this one Shs 300 billion, Shs 600 billion, so that when we waive, we are sure as Parliament because a taxpayer who had struggled to comply to do his or her part by 2016 is being put at a disadvantage compared to this one who may be raised objections, went to court and did this and now they are coming, 10 years after, to benefit. I oppose it unless the ministry can bring the comprehensive list of all these taxpayers that they want to waive for.

Otherwise, you are going to miss money and the minister has been looking to us for help. I thank my brother, the Youth Representative, Western. He has been asking this side: "You are not telling us where we can get money from." Now, there is money here, which can be recovered. This is something that has not -

THE SPEAKER: Honourable minister, Hon. Odur raises a very pertinent issue. Unless you are saying that even when we pass this on Thursday, you will bring for us the list.

MR KANKUNDA: Madam Speaker, I appreciate my brother, Hon. Odur, for delving into details. However, I want to give him comfort, like my brother, Hon. Nandala-Mafabi, has said. Out of experience, in interaction - and that is why Hon. Nandala-Mafabi has put it straight. Largely, we have been suffering to clean the ledgers and these ledgers affect the lowest person.

Whereas I agree with you that the minister can provide details here, it should not necessarily hold the passing of the Bill. It is true that this comes as a relief. We have been talking about waivers – people coming individually asking for waivers. This actually creates a clean and wider extent of the waiver to enable even our medium and low taxes – *(Interruption)*

MR OMARA: Madam Chairperson, this particular provision has been brought basically to clean a lot of outstanding liabilities from many companies. One of the objectives of the Government is also to support the private sector to rejuvenate.

By doing this, it would basically help cash-strapped businesses to enlarge their cash flows. These are mainly low-level businesses. Honourable members should realise that the minister for finance normally comes here to tax-exempt certain big names, but this one here is very comprehensive because everybody is in the basket. So, without actually bringing those names here, Hon. Jonathan, these are tiny and middle SME companies that have actually been affected - *(Interruption)*

MR ODUR: Madam Speaker, the clarification I want – and I am really thankful that Hon. Omara is telling us that they are many. In Parliament, when you are addressing issues of fact, it means these facts are within your knowledge. You cannot come and say “very many”. How many? You are saying these are “small companies”. Who is that company? That is what I am requesting for. It should come here because it appears, from your submission -

THE SPEAKER: We need that list.

MR ODUR: The point that I am making is that from their submissions, they are well versed with who these companies are.

THE SPEAKER: Honourable minister, I just need your commitment that you are bringing the ledgers.

MR NANDALA-MAFABI: These are ledgers like a bank. Yes, my brother, they will go and

retrieve all those whose taxes are outstanding - because URA is now electronic – for up to 30 June 2026. All the names will come, with the amounts, and they will be in print. By the way, whenever you ask for a refund in URA, they will come for you. Are you listening?

When they came for me, they wrote and brought a book that: “You are one of those who have already been listed to withhold. Why didn’t you withhold?” Now, because I never withheld, they charged me - and the book came with my name. I want to state it that is very easy, my brother. It will be done.

MR EKANYA: Madam Chairperson, the chairperson of the committee is aware that we tried to invite the minister for finance and his team to solve this matter, but the minister was busy. We received information that among the people who are going to be considered, URA has a case in Tax Appeals Tribunal. If we do not handle this matter carefully, through analysis, the Government will lose a substantial amount of money. We requested the minister to come so that we could discuss this. Hon. Amos was not there. Hon. Musasizi was not there. Even the technical people were not there. We would not be in this situation.

Therefore, I agree with Hon. Odur and Madam Speaker that this list needs to come, so that the Government does not lose resources.

THE SPEAKER: Honourable members, one thing that I can assure you about is that I will personally get this list from URA. I can commit to that, as the Speaker. When I leave this place, I am going to write to URA to give us that list.

MR ODUR: Madam Speaker, I would like to create a middle ground with this rider, that as Parliament, we continue to learn and get new precedence and one of such will be when you get for us the document that should have come from the Executive – but we appreciate your direct involvement. I wonder how you will now lay that document for us or you will just pass it - I do not know how but you will guide.

The middle ground that I want to propose is that as a safety net, let us deal with the penal tax and interest and not go and waive the tax due. That is so that it harmonises with the spirit of what we have been doing. We can waive the penal tax and the interest, but the principal should remain on record until Parliament has satisfied itself. Otherwise, after the list has come, you will -

THE SPEAKER: Minister, are you hearing?

MR ODUR: I can repeat it for the benefit of the minister. Here, you seek – and you have worded your title and the drafting in a very careful manner, but I think it was intended to cover something from Parliament. The spirit that we have had in the past two or three years is that if you are able to pay your principal amount, the interest and penalties are waived. That is what we have been doing.

I am proposing here that instead of the blanket waiver of both the principal sum and the penalties and interest, this provision relates only to penalties and interests. We should remain on the record until we get this list - (*Mr Kankunda rose*) - I will take your information.

MR KANKUNDA: Thank you, my brother. I would like to appreciate where you are going but -

MR ODUR: First, appreciate where I am coming from. (*Laughter*)

MR KANKUNDA: Thank you. I appreciate where you are coming from, but I am not sure about where you are going now. (*Laughter*) However, from our discussion – and Hon. Nandala-Mafabi and others will testify. In application of the penalty and interest, somehow the principal was being affected. When you leave it behind, you are not helping the taxpayer and even the ledgers will remain disorganised.

MR NANDALA-MAFABI: Let me explain it like this. Madam Speaker, before 2018 -

THE SPEAKER: Honourable members, when you are doing a waiver, even if you are in the bank, you would rather waive off the penal tax and interest, but remain with the principal because the principal affects -

MR KATESHUMBWA: Madam Speaker, let me give an example so that this House understands. If you supply the Government or when you do a road, you issue an invoice. The rules of Value Added Tax (VAT) require that when you issue an invoice for payment, you account for VAT – (*Interjections*) - whichever is earlier. We know that the Government's stock of arrears is in the trillions, and many businesses have suffered, selling property because they have supplied and not been paid.

What Hon. Nandala-Mafabi is raising is that when the business rules were introduced, someone who had a principal of say Shs 100 million and paid Shs 80 million, the business rules went to remove penalty and interest and never touched the principal. As we speak, what the minister is faced with and Uganda Revenue Authority (URA), is that you have an unrealistic book entry of arrears that is uncollectible-

THE SPEAKER: Of principal.

MR KATESHUMBWA: Yes. Yet, actually, the taxpayers have paid over and above the principal before. You are driving businesses into bankruptcy. What we want to avoid in this House is having the minister come next year with piecemeal requests of tax waivers, as we have seen in recent years.

I appeal to my colleague, and I agree with him, that we should have transparency. The Ministry and URA can publish the entire 2016 list, and the country should know about it. We should not look at this measure by just saying that the principal has been outstanding. No, some people have paid more than the principal, but the excess went toward penalties.

MR NANDALA-MAFABI: Madam Chairperson, one of the worst things- that is why it came up in 2018 to cap interest. Initially, if you had Shs 1 million, the interest would

accumulate indefinitely until you get that 1 million has come to even Shs 100 million. When you are to pay, they do not remove the Shs 1 million you had first. They take money from the interest and the penalty first. That is why those ledgers have really unrealistic values.

I agree there are so many people who-

THE SPEAKER: What is your suggestion?

MR NANDALA-MAFABI: I am coming. I want to tell you; this waiver is not the first we have waived here. We have waived tax here with penalties many times, in my time, I think. I know one time there was a big taxpayer who benefited Shs 36 billion, but he was in the High Court. You said Court of Tax Appeal. It was Shs 36 billion; we waived, he got it, and the case came out.

That is true, there will be a problem. What I want us to agree on is that the Speaker has promised to write to that. But my thinking is that, as you write, URA and the Ministry of Finance should publish all lists of people with outstanding taxes as of 30 June 2026.

THE SPEAKER: That is okay. Honourable minister.

MR NANDALA-MAFABI: Just one minute so that my brother can come. Two, as a way out, that is why we have agreed on the penalties. We have agreed to move it for one year as we clean. Even if we are talking about 2016, those two years between 2016 and 2018, by capping an interest, there are many people who have still suffered. The best period should have been 2019 or 2020, but since the minister has agreed to review it, that will be good.

Well, we are going to be here. We shall come to the committee as taxpayers and consultants, and we shall return with the information. I want to state that it is very important that we look at it.

When you raised the issue of Government taxes not being paid, that is true. Many people

have gone to the banks to borrow to pay VAT on behalf of the government. The Government has not paid them.

That is why we made a law that all Government contracts entered into later, when people had already suffered, will be deemed to have paid VAT. The reason it came is that people were dying. I want to assure you that most of the people whom they say they are going to waive have paid their taxes. The only difference is the penalties, which have accumulated with those who look at the principal; only a few are going to benefit.

MR ODUR: Madam Speaker, I have to put it on record briefly. I had started by saying that when you are legislating backwards, you must have the facts. If you do not have the facts, then you are likely to make a mistake.

From the submissions from both sides, they tell me that by 2016, URA was demanding Shs 100 million from me, including principal, penalties, and all. Out of that Shs 100 million, the actual tax was just Shs 50 million *—(Interjection)—* I am just using it graphically for the Members.

Therefore, Shs 50 million was the tax I was supposed to pay, but Shs 50 million now includes penalties and interest. When I get my money, which is Shs 50 million, and I go and pay it into URA, instead of charging it against the tax, they would prefer to charge it against the principal first. The interest and the penalty. That even makes it easy.

URA is not just an organisation that sells maize by the roadside. This record is there. They can now go and say that, since Parliament has made a pronouncement, we charged Hon. Odur Shs 50 million in penalties and interest, yet Parliament intended that it be charged on the principal. We now adjust and then charge it to the principal. Because Parliament has waived the interest- that is what I am asking. It makes sense that way because you have put somebody else at a disadvantage. That person who, by 2016, was under a lot of pressure, made commitments, and paid theirs is now being disadvantaged.

I still agree with you that these facts need to come. I do not have any particular company in mind, but it would be good for transparency.

THE SPEAKER: Let us have those facts. Yes, honourable minister.

MR MUSASIZI: Thank you, Madam Speaker. What we are seeking to correct are the outstanding balances in the ledgers that actually cannot be collected. How did they arise? Some of them were wrong accruals.

I have paid, but there is an outstanding interest and assumed interest remaining, and then you keep accruing it. It still appears in the ledger for your account. So, what we are proposing is to allow us, under the law, to clean these ledgers so that people are on a clean account.

Madam Speaker, providing the list of these taxpayers is something easy because we are asking you to allow us to clean the ledgers. Extracting information from the ledgers is not very difficult. I want to commit to providing you with this information and publishing it for the public to know.

THE SPEAKER: Thank you.

MR MUSASIZI: Madam Speaker, the second point: Hon. Nandala-Mafabi is saying that we have been allowing the offset of interest and penalties for the last three years, and he is asking: can we extend for another year? I agree, because this has enabled most of our people to settle their tax obligations.

There are also those still struggling. Maybe, if we give them another year, they will also be able to reorganise themselves and pay. For that one, we can bring an amendment. Those who are good at drafting can draft something for us in that regard.

THE SPEAKER: Thank you.

MR MUSASIZI: Then, lastly, Hon. Kateshumbwa is saying that the ideal would have been 2018. I agree. However, let us begin. Next year is not far. Let us begin, see how it

works, and, if it works well, bring it to 2018. The most important thing is to begin. I appeal to the House to support us in this regard by supporting the amendment proposed by Hon. Mafabi. Can it be drafted *-(Interjection)* - No, we want to be sure of what we are amending.

THE SPEAKER: I put the question that the Tax Procedures Code (Amendment) Bill, 2026 be read the second time.

(Question put and agreed to.)

BILLS COMMITTEE STAGE

THE TAX PROCEDURES CODE (AMENDMENT) BILL, 2026

Clause 1

THE CHAIRPERSON: I put the question that Clause 1 stands part of the Bill.

(Question put and agreed to.)

Clause 1, agreed to.

Clause 2

THE CHAIRPERSON: I put the question that –

MR ODUR: Thank you. The clarification I want from the minister or the chairman of the committee is to tell us how much, in terms of the amount that we are going to –

THE CHAIRPERSON: That is Clause 3.

MR ODUR: Yes.

THE CHAIRPERSON: We are on clause 2. I put the question that Clause 2 stands part of the Bill.

(Question put and agreed to.)

Clause 2, agreed to.

Clause 3

MR ODUR: Madam Chairperson, I require clarification from the minister or the chairperson of the committee on the exact amount involved in this waiver.

THE CHAIRPERSON: The actual amounts of the waiver. Let us first have the amendment of Hon. Nandala, as you get us the amount.

MR NANDALA-MAFABI: Minister, would it harm us to add here that the list of waived taxes will be published?

THE CHAIRPERSON: Not in the law. *(Laughter)* That is administrative.

MR MUSASIZI: There is a confidentiality clause.

MR NANDALA-MAFABI: Okay, fine. I would like to move an amendment that all principal tax outstanding at 30 June 2026, if paid by 30 June 2027, will have penalties and interest waived. The justification is to allow everybody to benefit in the process.

THE CHAIRPERSON: Repeat it.

MR NANDALA-MAFABI: If all tax outstanding as at 30 June 2026 is paid by 30 June 2027 - we are moving it to one year - the interest and penalties due will be waived. We have given it one year; in 2027, it will be waived. If you pay all outstanding taxes as at 30 June 2026, including penalties, and the principal tax is paid by 30 June 2027, the interest and penalties will be waived. Thank you. Have you understood it?

MR MASABA: Madam Chairperson, just for polishing, I think that is Section 47 - waiver of interest and penalty on payment of principal tax. According to what Hon. Nandala is suggesting, and after polishing it further, any outstanding interest and penalty as at 30 June 2026 shall be waived, provided the taxpayer pays the principal tax by 30 June 2027.

MR MUSASIZI: Madam Chairperson, I agree.

THE CHAIRPERSON: I put the question that Clause 3 be amended as proposed by Hon. Nandala and further polished by Hon. Karim Masaba.

(Question put and agreed to.)

Clause 3, as amended, agreed to.

Clause 4, agreed to.

The Title, agreed to.

MOTION FOR THE HOUSE TO RESUME

THE CHAIRPERSON: Honourable minister? *(Hon. Ssemujju rose_)*

3.22

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Chairperson, I beg to –

THE CHAIRPERSON: That is why we shall miss Hon. Ssemujju. *(Laughter)*

MR MUSASIZI: Madam Chairperson, I beg to move a motion that the House resumes, and the Committee of the whole House reports thereto.

THE CHAIRPERSON: I put the question that the House resumes and the Committee of the whole House reports thereto.

(Question put and agreed to.)

(The House resumed, the Speaker presiding_)

REPORT FROM THE COMMITTEE OF THE WHOLE HOUSE

3.23

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, I beg to report that the Committee of the whole House has considered a Bill entitled, “The Tax

Procedures Code (Amendment) Bill, 2026 and passed it with amendments.

BILLS
SECOND READING

MOTION FOR THE ADOPTION OF THE REPORT OF THE COMMITTEE OF THE WHOLE HOUSE

THE EXTERNAL TRADE (AMENDMENT) BILL, 2026

3.24

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, I beg to move a motion that the report from the Committee of the whole House be adopted.

THE SPEAKER: Honourable minister, can you move the motion?

3.25

THE SPEAKER: I put the question that the report of the Committee of the whole House be adopted by this House.

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, I beg to move a motion that the External Trade (Amendment) Bill, 2026, be read the second time.

(Question put and agreed to.)

Report adopted.

BILLS
THIRD READING

THE SPEAKER: Is it seconded? It is seconded by Hon. Nekesa, Hon. Alanyo, Hon. Businge, Hon. Okaasai, Hon. Amos, Hon. Musasizi, Hon. Mudimi, Hon. Edakasi, Hon. Patience, Hon. Keefa, Hon. Gabriel, Hon. Gureme, Hon. Max, Hon. Rugumayo, Hon. Melsa, my sister, Hon. Grace, Hon. Noeline, Hon. Omoding and Hon. Vicky. Justify and give us a brief.

THE TAX PROCEDURES CODE (AMENDMENT) BILL, 2026

3.25

3.23

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, I beg to move that the Tax Procedures Code (Amendment) Bill, 2026, be read the third time and do pass.

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, what we seek to achieve from this Bill is to amend the External Trade Act, Cap 69, to exempt imports of vaccines, medicines, medical supplies, pesticides, rodenticides, acaricides and insecticides from the infrastructure levy and import declaration fee; and to impose an environmental levy on worn clothing and other worn articles. I submit.

THE SPEAKER: I put the question that the Tax Procedures Code (Amendment) Bill, 2026, be read the third time and do pass.

(Question put and agreed to.)

THE SPEAKER: Thank you. Committee chairperson, can you give us a summary?

A BILL FOR AN ACT ENTITLED "THE TAX PROCEDURES CODE (AMENDMENT) ACT, 2026"

3.27

THE SPEAKER: Title settled and the Bill passed. *(Applause)*

THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda): Madam Speaker, the documents that were submitted and the details as earlier said are generic, and as the minister has said,

the committee would like to report on the observations and recommendations.

The infrastructure levy and import declaration fees

Clause 2 of the Bill seeks to amend Section 3A of the Principal Act to provide for an infrastructure levy. The proposed amendment seeks to exempt imports of vaccines, medicine, medical supplies, pesticides, rodenticides, acaricides and insecticides from the infrastructure levy.

Clause 3 of the Bill seeks and proposes to amend Section 3B of the External Trade Cap 69, which provides for import declaration fees of 1 per cent to be paid on all goods imported into the country for home use.

Section 3B was part of the amendments in the External Trade (Amendment) Act, 2025, which introduced an import declaration fee on imported goods into Uganda.

The minister for finance informed the committee that the amendments are intended to remedy the omission of key items, such as medicines and agricultural pest control inputs, from the exemptions under the infrastructure levy.

The committee observed that the proposed amendment aims to ensure that vaccines, medicines, medical supplies, pesticides, rodenticides, acaricides, and insecticides are not subject to the 1.5 per cent infrastructure levy and the 1 per cent import declaration fee. This move is intended to ensure that Ugandans' access to vaccines, medicines, and medical supplies is not curtailed, since the imposition of infrastructure levy and import declaration fees will affect their cost.

The provision will promote agricultural productivity, given that agriculture remains the backbone of our country's economy.

The committee recommends that Clauses 2 and 3 of the Bill be adopted.

Environmental levy

Clause 4 of the Bill is to the effect that there shall be an environmental levy charge on worn clothes and other worn articles at a rate of 30 per cent of the CIF.

The proposal introduces a third import levy, alongside the 1 per cent infrastructure levy and the 1 per cent import declaration fee.

The committee observed that the amendment stems from the proposal by the East African Community heads of state in 2016 to phase out the importation of second-hand clothes by 2019, to promote domestic textile industries.

Two, the proposal seeks to achieve a dual objective of protecting the environment by reducing waste and pollution, while promoting local textile manufacturers and job creation, and reducing competition from low-cost imports. This is in line with the Buy Uganda, Build Uganda policy.

The committee recommends that Clause 4 be adopted.

In conclusion, the committee recommends that the External (Amendment) Bill be passed.

3.31

MS BRENDA NABUKENYA (NUP, Woman Representative, Luweero): Thank you, Madam Speaker. We have a dissenting opinion on Section 3, which says we should insert Section 3C, an environmental levy on worn clothing and other worn articles. The Government wants to insert Section 3C in the Principal Act to impose an environment levy on worn clothing and other worn articles at a rate of 30 per cent of the CIF value.

The Government projects to raise more revenue from the poor people who buy these second-hand items, not by choice but by necessity. The second idea of protecting the local textile industry without due consideration for their limited capacity/volume, to dress the entire population at an affordable fee, is very unrealistic.

We want to make the record clear that the second-hand clothing popularly referred to as “Mivumba” is an essential good, not a luxury. Increasing taxes on essentials affects the poor.

According to the Ugandan Bureau of Statistics (UBOS) 2024 Census and UNDP 2025 reports, approximately 57.2 per cent of Ugandans are suffering from multidimensional poverty, with an additional 23.6 per cent vulnerable to falling into poverty. This means that almost 80 per cent (57.2 plus 23.6) are poor. To put this into perspective for an average wage of Shs 500, a new blazer or suit from a simple shop goes for over Shs 200, nearly half the monthly income. In contrast, a high-quality second blazer at Owino market costs roughly Shs 40.

Doubling the tax from 15 per cent to 30 per cent places a heavy burden on the very poor, who rely on these items for school uniforms, work attire, and basic dignity.

Secondly, the government’s goal of protecting local industry is premature and does not hold water, as the domestic textile infrastructure we have currently cannot meet national demand. For your information, statistics show that Uganda will export a vast majority of its cotton lint rather than processing it into finished garments locally. This means increasing tax on the only affordable alternative before the local industry has the capacity, variety and price competitiveness to replace it creates a clothing vacuum.

Thirdly, the second-hand clothing trade employs many people in Uganda, particularly in urban centres like Kampala. These are not just traders; they are youth and women who rely on small-scale retail trade for survival. An attempt to increase tax by 100 per cent is an attempt to close their business.

While we support Buy Uganda, Build Uganda, the proposed Section 3C Environmental levy ignores the current 80 per cent poverty and vulnerability rate. This tax increase penalises the poor for their lack of purchasing power without offering a functional, affordable local alternative.

Kampala City Traders Association (KACITA), a multi-sectoral business support association, while appearing before the Committee on Finance, Planning, and Economic Development, expressed serious concerns about doubling the environmental levy from 15 per cent to 30 per cent. Maintaining that already traders are subjected to multiple taxes, including import duty at 35 per cent, VAT at 18 per cent, withholding tax at six per cent, and, currently, a 15 per cent surcharge.

Madam Speaker, although the environmental levy is not VAT, it is expected to increase the taxable import value. In practice, this raises the VAT payable on importation. Since VAT is generally calculated on the customs value plus applicable duties and levies, the measure will make imported second-hand garments significantly more expensive from a VAT-inclusive price perspective.

The idea of reinforcing the Government policy objective of discouraging such imports while protecting domestic production under Buy Uganda, Build Uganda (BUBU) will disenfranchise many people in the business and those who can only afford second-hand clothes.

We, therefore, urge the Government to stay this proposal until it provides incentives for local textile manufacturers to lower costs before imposing a punitive levy on clothing. We object to doubling the environmental levy on second-hand clothing that makes up the vast majority of the clothes purchased by the middle- and low-income Ugandans.

I submit.

3.37

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES)

(Mr Henry Musasizi): Thank you, Madam Speaker. I would like to express my appreciation to Hon. Brenda Nabukenya for supporting our Buy Uganda, Build Uganda initiative.

Madam Speaker, this is our justification for this proposal – and I want to read it verbatim. The measure is intended to address environmental concerns associated with the importation of second-hand clothing, much of which quickly becomes waste and contributes to landfill pressure and pollution.

By increasing the cost of these imports, the levy is expected to reduce the volume of low-quality clothing entering the country and promote more sustainable consumption. This amendment will also support the domestic textile and garment industries by reducing unfair competition from cheap imports, thereby encouraging local production, job creation and value addition.

The proposal is intended to generate additional revenue for the Government from the widely traded category of goods. Madam Speaker, overall, this proposal advances environmental protection, strengthens local industry and enhances revenue mobilisation.

With this justification, I invite honourable colleagues to support our proposal, as the committee has also supported us in the Bill.

3.39

MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko): Hon. Ssemujju has talked to me about something. We grow cotton. First of all, I want to clarify. Madam Speaker, I want you to hear this. Somebody has sent me a message, saying that the Speaker and I were in a business partnership. I want to clarify that I do not do any business with the Speaker of Parliament.

THE SPEAKER: Honourable members, I have never been in a business partnership with Hon. Nathan Nandala.

MR NANDALA-MAFABI: Thank you. Maybe you also have a petrol station like me.

THE SPEAKER: No, I do not have a petrol station. I do not do those small businesses. *(Laughter)* But you have not said that you are married to my sister. My relationship with you is that we are in-laws.

MR NANDAL-MAFABI: Those small businesses have kept us going. *(Laughter)*

THE SPEAKER: For those moving around saying that we have the same business, we do not have. This one is a rich man.

MR NANDALA-MAFABI: Thank you for noting that. Madam Speaker, we used to grow cotton. I would have been happy if Hon. Musasizi said that he is burning second-hand clothes, reinstating African Textile Mills in Mbale, bringing back Lira Spinning Mill and Nyanza Textile. I would be happy, and we would be talking.

Our bed sheets and uniforms used to come from Nytil. Yamato was from UGIL. So, you are trying to -

THE SPEAKER: Chairman Bugisu Cooperative Union (BCU), first, have a plan to reinstate cotton growing before you go into the spinning mills. The same way you did with coffee, you should do with cotton.

MR NANDALA-MAFABI: Madam Speaker, that is what I am coming to. We still have land *-(Interjection)-* yes, you are with us, and we want people to start growing cotton. Hon. Musasizi should quickly put a budget to revamp the factories that used to consume our cotton.

When you say Buy Uganda, Build Uganda (BUBU), the moment we consume Ugandan cotton, we shall be building Uganda because that farmer will be earning Money. The moment he buys his shirt or trousers from Uganda, we would be saving forex, which would have gone out.

Now, you have come with a levy. I propose that, for you to be able to act, we increase this levy to 100 per cent so that you get money quickly and develop those factories. I am very serious. If we do not do that, we are going to always come - you people have seen these second-hand clothes and computers that they bring for us. This has become a dumping ground.

They have now even started dumping human beings from America here, as if we do not have a country.

I propose, in good faith, that we increase the levy on second-hand items entering the country to generate our own factories. NICE is here. We can invest more in NICE to produce cups and pens for us. People come here to do things. So, if you think we are against this country, we are not. We want this country more than anybody. None of us applied to God to be born in Uganda.

THE SPEAKER: So, what is your suggestion?

MR NANDALA-MAFABI: My suggestion is that the environmental levy on all second-hand items imported into Uganda is hereby increased to 100 per cent. The justification that this is to build our own local industries to consume our own materials. Do the budget on that one so that we can give you the money. I know Hon. Moses Ogwal will support me on this – and we can bring back Lira Spinning Mill.

THE SPEAKER: Hon. Nathan, as we have the factories in operation, why don't we do it progressively? You do not go to 100 per cent. Now, you are at 30, and next time you can go to 40 per cent

3.45

MR IBRAHIM SSEMUJJU (FDC, Kira Municipality, Wakiso): Speaker, if you look at the report of the National Bureau of Statistics – 2024 report – 31 per cent of Ugandans do not have two sets of clothing. In Karamoja, it is at 62 per cent.

THE SPEAKER: Honourable members, what clause are we on?

MR SSEMUJJU: We are dealing with *mivumba* – worn-out clothes.

THE SPEAKER: Let us first put the question.

MR SSEMUJJU: I was just about to finish, if you allow me.

THE SPEAKER: Listen. Let us go to that clause, and we will debate it. I put the question that the External Trade Amendment Bill, 2026, be read for the second time.

(Question put and agreed to.)

BILLS
COMMITTEE STAGE

THE EXTERNAL TRADE AMENDMENT
BILL, 2026

THE CHAIRPERSON: Clause 1.

Clause 1

THE CHAIRPERSON: I put the question that Clause 1 stands part of the Bill.

(Question put and agreed to.)

Clause 1, agreed to.

Clause 2, agreed to.

Clause 3, agreed to.

Clause 4

THE CHAIRPERSON: Clause 4. Yes. After you, Hon. Nathan.

MR SSEMUJJU: Madam Chairperson, I, even in the committee, told them that the people who buy second-hand clothes do not do so because they want to. I was giving you information here. 31 per cent of the population cannot afford two sets of clothing; they have one. That is why when you were distributing these fake National Resistance Movement (NRM) t-shirts, they were fighting over them.

THE CHAIRPERSON: At least NRM had fake ones. What about the People's Front for Freedom (PFF)?

MR SSEMUJJU: For us, we did not have. We had nothing to distribute. In Karamoja, it is 62 per cent, in Busoga, Madam Chairperson, I am

talking about Busoga, where you are- People who do not have two sets of clothing in Busoga are 26 per cent.

THE CHAIRPERSON: Stop undermining Busoga.

MR SSEMUJJU: I am not undermining. This is a report of the population census.

THE CHAIRPERSON: No, do not - you want to imagine Basoga are what you are thinking.

MR SSEMUJJU: Madam Chairperson, this is the report of the -

THE CHAIRPERSON: The whole place of the Kyabazinga.

MR SSEMUJJU: This is an official report.

THE CHAIRPERSON: No.

MR SSEMUJJU: The average in the country is 31 per cent. In Karamoja, 62 and 26 per cent in Busoga do not have two sets of clothing. This committee ignored - they do not care about these people in Busoga, Karamoja, and elsewhere who have no clothing.

THE CHAIRPERSON: Stop mentioning tribes here.

MR SSEMUJJU: This is how it is captured in the census report. It is not my report.

THE CHAIRPERSON: Do you know the richest people? Do you know that the Karamojongs have cows that they can sell and support the Gross Domestic Product (GDP) of Uganda?

MR SSEMUJJU: Madam Chairperson, this is the 2024 Population and Housing Report by the Uganda Bureau of Statistics (UBOS). 31 per cent of the -

THE CHAIRPERSON: Can you give us your amendment to the clause?

MR SSEMUJJU: I want to give a justification. I have said -

THE CHAIRPERSON: No, first give the amendment.

MR SSEMUJJU: We are on clause 4. That is what you are saying.

THE CHAIRPERSON: Give the amendment. Rephrase the amendment and give us your justification.

MR SSEMUJJU: The amendment is that you -

THE CHAIRPERSON: Hon. Asuman, he is here saying that we, the Basoga, are poor. That we only have one set of clothes. *(Laughter)*

MR SSEMUJJU: Madam Chairperson, I am very sorry. The Basoga are very rich but this is -

THE CHAIRPERSON: Have you seen how Hon. Asuman is very smart?

MR SSEMUJJU: This is what the report says, finally.

THE CHAIRPERSON: Okay, let us mean business. What is the amendment?

MR SSEMUJJU: The amendment is that you leave the second-hand clothes. When we build the factories, because in the committee meeting, we were told that the capacity -

THE CHAIRPERSON: Do you want us to maintain it as it is?

MR SSEMUJJU: As it is, because we were told in the committee by the people who appeared that the capacity that we have now cannot even serve half the country.

THE CHAIRPERSON: Honourable minister. Do you want it to remain as it is? Hon. Nandala wants it as 50 per cent.

MR MUSASIZI: Madam Chairperson, Hon. Nandala is my chairperson somewhere. I thank him for being a Christian in the discussion of these matters because he has expressed feelings for the country and the desire to see this economy sustain itself by encouraging domestic production.

Our proposal is in line. As you have said, let us make these decisions progressively, whereby now we do 30 per cent, then after one year, if one or two more factories come and we have enough domestic production, we can close completely, but I am proud.

I have to put this on record, Hon. Brenda Nabukenya. When I was in primary school in my village in Rubanda, I was wearing a uniform from the Nyanza Textile Industries Limited (NYTIL). In our village, we did not know NYTIL; we knew it as Jinja. It was a new uniform, you would buy, they tailor it and you put it on. So, it is not true, Madam Chairperson, that uniforms cannot be produced by our factories. I thought this would be -

THE CHAIRPERSON: Hon. Brenda, the uniforms that we give our students - now I am talking as a director of a school. The uniforms that we give our students are made from NYTIL.

MR NSEREKO: Just take my clarification. As someone who represents these people who do this trade, most of them import these clothes and have their warehouses here in Kaguje, Katwe. I want to look at the employment spiral that it offers.

The so-called hawkers you see around are not necessarily traders who deal in brand-new clothes, and the reason is very valid: one, the production cycle, as someone has said, cannot feed the entire market to its fullest.

Secondly, there are some materials that are not available. I will give you an example of a material that you cannot get in NYTIL, which is called jean. Do you know the material called jean? There is another one called spandex. Do you understand what I am saying?

Therefore, we are trying to say that what we call old and used materials are not desirable in any country, but they are there for convenience. If you bring a deterrent tax of that nature, I am happy that you have conceded that, let us go progressively. Start with 10 per cent, not 30 per cent.

THE CHAIRPERSON: Thank you. I put the question that clause 4 stands part of the Bill.

(Question put and agreed to.)

Clause 4, agreed to.

The Title

THE CHAIRPERSON: I put the question that the Title stands part of the Bill.

(Question put and agreed to.)

The Title, agreed to.

MOTION FOR RESUMPTION OF THE HOUSE

THE CHAIRPERSON: Yes, honourable minister -

MR NSEREKO: Madam Chairperson, Hon. Musasizi is wearing a second-hand tie. It is not from NYTIL. Can he say whether NYTIL manufactured that tie? Tell this country.

3.56

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES)

(Mr Henry Musasizi): I would very much be happy to put on a tie manufactured by NYTIL.

THE CHAIRPERSON: That is a classic tie.

MR NSEREKO: Wait a second. The Chairperson says your beautiful tie is a classic tie. Can you show us the label whether it is made by NYTIL?

MR MUSASIZI: Can we mean business?

THE CHAIRPERSON: Honourable minister.

MR NSEREKO: We are meaning business; you are wearing -

THE CHAIRPERSON: Honourable minister.

MR MUSASIZI: Madam Chairperson, before I move a motion, Hon. Nandala-Mafabi is my chairperson for the accountants in this Parliament. He is not my president; he is my chairperson of the accountants who are in this House. I now move a motion that the House do resume and the Committee of the whole House reports thereto.

THE CHAIRPERSON: I put the question that the House resumes and the Committee of the whole House reports thereto.

(Question put and agreed to.)

REPORT OF THE COMMITTEE OF THE
WHOLE HOUSE

THE SPEAKER: Honourable minister?

3.56

THE MINISTER OF STATE FOR FINANCE, PLANNING, AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, "The External Trade (Amendment) Bill, 2026" and passed it without amendments.

THE SPEAKER: Thank you.

MOTION FOR ADOPTION OF THE
REPORT OF THE COMMITTEE OF THE
WHOLE HOUSE

THE SPEAKER: Honourable minister?

3.56

THE MINISTER OF STATE FOR FINANCE, PLANNING, AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, I beg to move a motion that the report from the Committee of the whole House be adopted.

THE SPEAKER: I put the question that the report of the Committee of the whole House be adopted by this House.

(Question put and agreed to.)

Report adopted.

BILLS
THIRD READING

THE EXTERNAL TRADE (AMENDMENT)
BILL, 2026

THE SPEAKER: Honourable minister?

3.57

THE MINISTER OF STATE FOR FINANCE, PLANNING, AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, I beg to move that the Bill entitled, "The External Trade (Amendment) Bill, 2026 be read for the third time and do pass.

THE SPEAKER: I put the question that the External Trade (Amendment) Bill, 2026 be read the third time and do pass.

(Question put and agreed to.)

A BILL FOR AN ACT ENTITLED, "THE
EXTERNAL TRADE (AMENDMENT) ACT,
2026"

THE SPEAKER: The title is settled, and the Bill passed.

BILLS
SECOND READING

THE TRAFFIC AND ROAD SAFETY
(AMENDMENT) BILL, 2026

THE SPEAKER: Honourable minister?

3.58

THE MINISTER OF STATE FOR FINANCE, PLANNING, AND ECONOMIC DEVELOPMENT (GENERAL DUTIES)

(Mr Henry Musasizi): Madam Speaker, I move that the Traffic and Road Safety (Amendment) Bill, 2026, be read for the second time.

THE SPEAKER: Is it seconded? Okay, it is seconded by Hon. Melsa, Hon. Noeline, Hon. Grace, and the whole side. Hon. Rugumayo, and honourable member, you are also here? By the whole side. Justify.

MR MUSASIZI: Madam Speaker, the Bill is intended to amend the Traffic and Road Safety Act, Cap. 347, to prohibit the importation of motor vehicles that are more than 13 years old from the year of manufacture and to revise the environmental levy applicable to imported motor vehicles. I submit, Madam Speaker.

4.00

THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING, AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda):

Madam Speaker, this Bill was considered by the committee, and we hereby report. I will go directly to the observations and recommendations.

Clause 1 is about commencement and application, and Clause 2 of the Bill proposes to amend Section 15 of the Traffic and Road Safety Act to prohibit the importation of motor vehicles that are 13 years old or more from the year of manufacture.

Initially, the prohibition applied to motor vehicles 15 years old or older from the year of manufacture. This means that if the proposal is adopted, a motor vehicle can only be imported into Uganda if it is 13 years old or less from the year of manufacture.

According to the Minister of Finance, Planning, and Economic Development, the purpose of this amendment is to address environmental and economic concerns. Older vehicles are generally less fuel-efficient and produce high emissions, which contribute to air pollution

and environmental degradation.

In addition, older vehicles tend to require frequent repairs and replacement of spare parts. This increases the demand for imported parts, placing pressure on the foreign exchange.

By limiting the importation of older vehicles, the measure encourages the use of newer and more efficient vehicles. This is expected to reduce pollution, improve fuel efficiency, and lower long-term maintenance costs.

The committee observed as follows:

- i) Not all older vehicles cause pollution. Many used vehicles imported into Uganda from Japan and other regulated markets undergo pre-export inspection and are well-maintained. The actual emissions depend on other factors, such as proper maintenance of the vehicles, installation of emission controls, and not on age alone. Blanked age-based prohibitions overlook these realities and may not deliver the intended environmental benefits;
- ii) The majority of Ugandans rely on affordable and used vehicles for personal and commercial mobility. Reducing the age limit to 13 years will significantly increase the average price of imported vehicles by making personal transport less accessible to middle and low-income households;
- iii) Although the Government has invested in motor vehicle inspection facilities, little has been done to inspect vehicles already in use in the country. The Government should focus efforts on ensuring these vehicles are not degrading the environment through regular inspections;
- iv) The Government should undertake the accreditation of mechanical garages to ensure that they have the expertise to maintain vehicles in proper conditions; and
- v) Uganda lacks affordable new vehicle financing and adequate public transport alternatives.

The committee, therefore, recommends as follows:

- i) The Government should undertake compulsory annual inspection for private vehicles and bi-annual inspection for commercial vehicles to ascertain their roadworthiness and ensure the reduction of emission levels; and
- ii) Clauses 1(2) and 2 of the Bill be deleted and the cap of 15 years be maintained.

1. Environmental levy

Clause 3 of the Bill seeks to amend Schedule 3 of the Traffic and Road Safety Act, Cap 347. The legal implication of the proposed amendment is that the importation of the motor vehicle, which is:

- i) Nine years old or more from the year of manufacture will attract an environmental levy of 20 per cent of the CIF value;
- ii) Ten years old or more from the year of manufacture will attract an environmental levy of 30 per cent of the CIF value;
- iii) Eleven years old or more from the year of manufacture will attract an environmental levy of 40 per cent of the CIF value; and
- iv) Twelve years or more from the year of manufacture will attract an environmental levy of 50 per cent of the CIF value.

The committee was informed by the ministry that the purpose of this graduated structure is to discourage the importation of older vehicles by making them more expensive. It encourages importers to bring in newer and more environmentally friendly vehicles and also enhances revenue collection.

Overall, the amendment supports environmental protection and promotes the use of newer and more efficient vehicles.

The committee observed as follows:

- i) The current provision under the principal Act provides for 50 per cent of the CIF value

for a motor vehicle which is nine years old or more from the year of manufacture;

- ii) Roadworthiness and mileage matter more than age alone for environmental conservation. Imported vehicles of nine years or more as provided for in this current law can often have significantly lower mileage and are in a better overall condition with intact emission control systems compared to many vehicles on the Ugandan roads that suffer poor maintenance. Therefore, emissions are driven primarily by inadequate servicing rather than chronological age;
- iii) Penalising importation of vehicles solely on age overlooks these well-maintained, low-mileage engines, which may even emit less than poorly maintained local vehicles;
- iv) High levies of up to 50 per cent of CIF value will substantially increase vehicle costs, pushing importers and buyers towards smaller engine vehicles to minimise heavy taxes; and
- v) With limited reliable public transport options, Ugandans rely on private vehicles. The proposal will affect the affordability of these vehicles.

The committee recommends that Clause 3 be adopted with a proposed amendment to item (b)(iv) by including vehicles, which are twelve to fifteen years from the year of manufacture.

In conclusion, the Traffic and Road Safety (Amendment) Bill, 2026, should be passed subject to the proposed amendments by the committee. I submit.

THE SPEAKER: Thank you. Do you have a minority report?

4.08

MS HANIFA NABUKEERA (NUP, Woman Representative, Mukono): Thank you, Madam Speaker. We have a minority report on the Traffic and Road Safety (Amendment) Bill, 2026.

Points of dissent

1. The Bill proposes to reduce the import age limit for motor vehicles from fifteen to thirteen years, yet offers no convincing evidence that such a measure will meaningfully improve road safety and deliver environmental benefits.
2. The Bill seeks to increase the environmental tax on imported vehicles in a way that disproportionately burdens ordinary citizens, small businesses, transport operators, and those who depend on the used car market;
3. The Bill will make it more difficult and costly for current owners of older vehicles to repair, maintain, or replace their vehicles, further eroding the livelihoods of those already struggling with economic hardship.
4. The Bill focuses primarily on the second-hand vehicles, while other significant environmental challenges, such as plastic pollution, hazardous chemicals, industrial emissions, and untreated wasteful water, are left largely unaddressed.
5. The Bill risks undermining the repair economy, the spare parts trade, and the long-standing principle of reuse and refurbishment, all of which are essential to a responsible and sustainable environmental policy;
6. The exemption of vehicles recalls, calls into question the claim that the Bill is motivated purely by environmental concerns; and
7. The last one is that the Bill, though presented as an environmental measure, appears in substance to be primarily a revenue-raising instrument.

The gist of the minority here

Clause 1 is the commencement and application

Madam Speaker, this clause sets the commencement date and outlines the

transitional provisions of vehicles already in transit. While a short adjustment period is permitted, there is no meaningful protection for citizens who already own older vehicles and depend upon them.

Reducing the age limit from 15 to 13 years will inevitably restrict access to affordable vehicles. This restriction will be felt most acutely by teachers, traders, transport operators, and families who rely on the second-hand market to meet their transport needs.

For more Ugandans, an imported used vehicle is not a luxury but a necessity. It supports small businesses, enables family mobility, and is vital for day-to-day survival. If policy shifts make these vehicles less accessible, the immediate effect will be to exclude teachers, health workers, market vendors, and small business owners from affordable transport. The resulting burden will ripple across the broader economy, increasing the cost of goods and services and diminishing economic opportunity.

Transport is central to the functioning of our society. It underpins development, education, commerce, and access to essential services.

When the cost of acquiring and maintaining a vehicle rises, it is the ordinary citizen who suffers first and most, not the state.

Clause 2: Amendment of section 15

The clause reduces the import age limit; it is the same thing. Let me go to Schedule 3 now.

This clause reduces the new environmental tax on imported vehicles, a move that will inevitably increase the cost of transport and place additional financial strain on ordinary citizens.

Although presented as an environmental measure, the principal consequence of the new tax will be higher vehicle prices for buyers, importers, and a certain to pass on the cost to the consumers.

Dealing in the markets such as Kisekka and Nakawa will respond by raising prices, making

vehicles that were previously affordable for social workers, essential workers, and small traders unattainable. In this way, the policy imposes a hidden burden on the public even as it is presented in environmental reform.

Such a policy should not be allowed to increase transport costs to citizens already struggling with high fuel prices and living expenses. Calling it an environmental measure risks reducing serious reform to mere justification for higher taxes.

Clause 3: Environmental Consistency

Madam Speaker, sound environmental policies value the principles of reuse, repair, refurbishment, and extended product life. Many older vehicles can be properly maintained and upgraded which is often a more responsible environmental choice than premature replacement.

Mechanics, spare parts dealers, and garage workers depend on a steady market for repairable vehicles. Should the Bill further restrict the import and affordability of older vehicles, it will undermine these trades and weaken the culture of repair that supports both livelihoods and sustainability *—(Interjections)—* Yeah, fire entire gas in such case.

Purchasing a new product does not necessarily advance environmental sustainability. In many instances, it encourages consumer waste, extending the lifespan of repairable vehicles, which is often more sustainable and an economically prudent path.

Clause 3: effects on existing vehicles

Madam Speaker, although the Bill does not directly impose new levies on vehicles already in use, its effects will be borne by current owners. As importing affordable used vehicles becomes more difficult and costly, replacement becomes impractical. Spare parts, too, are likely to become more expensive and harder to find as the market for older models contracts.

A taxi operator in Mukono or Wakiso may find that replacement car spare parts have become prohibitively expensive. A small business owner in Jinja may be forced to postpone necessary repairs due to the scarcity of car spare parts. A family that would otherwise replace an ageing vehicle with a modestly priced imported car may find themselves compelled to continue using a deteriorating car. These are not hypothetical concerns, but the real burdens that this policy will impose.

Even in the absence of direct taxation, the law will still penalise those who rely on existing vehicles by driving costs up, reducing options and forcing prolonged use under increasingly challenging conditions.

Clause 3: goods vehicle exemptions

Madam Speaker, the decision to exempt goods vehicles from the levy undermines the Bill's environmental rationale. If vehicle age and environmental impact are truly issues, there is no credible reason to exclude goods vehicles, which contribute significantly to emissions and environmental strain.

Trucks and lorries used for goods and construction also contribute to pollution and road wear. Their exclusion from the Bill strongly suggests that the policy is driven by convenience or political considerations.

THE SPEAKER: Can you summarise?

MS NABUKEERA: Yes, I am just about to finish, Madam Speaker.

This exemption creates a fundamental imbalance. Private car owners and ordinary citizens are required to bear the cost, while commercial freight is left untouched. Such a selective approach cannot support the claim of comprehensive environmental reform.

Revenue versus reform

Madam Speaker, there is a significant concern regarding the Bill's true intent. While it is presented as a measure of environmental

protection, its structure most closely resembles a revenue measure, raising costs for older imports, narrowing consumer choice and increasing government collections.

If the Bill's purpose was genuinely environmental, Parliament would expect a comprehensive and balanced framework. That would include robust emissions testing, strict inspection standards, effective enforcement against plastics and proper regulation of industrial waste and chemicals. Instead, the Bill appears to target only the most convenient issue, leaving the most significant environmental challenges unaddressed.

Recommendation

Madam Speaker, we are fully supportive of the road safety reform and responsible environmental stewardship. However, we cannot support a measure that is narrowly focused, that places undue burden on ordinary citizens, and lacks the necessary breadth or enforcement to deliver fair and effective outcomes.

We, therefore, recommend that the Bill be amended to preserve vehicle affordability, prioritise emissions testing and roadworthiness over arbitrary age restrictions, address pressing concerns such as plastics, hazards, chemicals and industrial waste, or support the repair and spare parts sectors, and ensure any taxes are fair, consistent and transparently linked to the genuine objectives.

In conclusion, in its current form, the Bill risks placing undue burdens on a broad section of the Ugandan public in the name of environmental reform while failing to address the conduct of major polluters. It threatens affordability, undermines the culture of repair, and restricts economic mobility. For these reasons, we dissent and respectively urge the House to make substantial amendments before any passage is considered.

I thank you.

THE SPEAKER: Thank you. Hon. Nsereko.

4.21

MR MUHAMMAD NSEREKO (Independent, Kampala Central Division, Kampala): Madam Speaker, the committee, in its observation, made some very good points. I would like to just throw light on one of the items they earmarked.

One, the correlation between pollution and the age of the car has, at times, led to subjective arguments. The issue is the mileage, usage, maintenance, and servicing. You might find a car that was driven by you, Madam Speaker - I think it was a Land Cruiser, number plate UBQ series in 2013. You might not have even driven it for a distance covering 7,000 kilometres. Therefore, it does not necessarily mean that it has acquired that wear and tear to justify its level of carbon emission in order to pollute the environment.

I remember the minister said, "Please, help me find revenue." I am going to help you find revenue. Do not come down to 13 years. Maintain the 15-year threshold as proposed, so that you capture cars that are on the way to Uganda, but also encourage the importation of cars since 2012, probably. This is because for cars made in 2011, when you read their standards, most of them are carbon emission compliant. Therefore, it is up to you to either surrender this revenue and lose it or work with us now.

THE SPEAKER: How many years are they? 15?

MR NSEREKO: Fifteen years, probably. That way, we can enhance your revenue basket. Therefore, while you are in a win-win and lose-lose situation, we are giving you a rope to hang yourself with. Are you pro-15 years or do you want to downsize to 13 and lose revenue? The ball is in your court now. Honourable minister, do you get my point?

THE SPEAKER: Actually, there is a letter from the Uganda Revenue Authority that states that when you have cars that are 15 years and older, you make a profit of about Shs 400 billion.

MR NSEREKO: You might be losing above Shs 100 billion. The ball is in your court. Do you need the revenue, or do we take it as it is? Thank you.

4.24

MR NATHAN NANDALA-MAFABI (FDC, Budadiri County West, Sironko): Thank you very much, Madam Speaker.

Madam Speaker, to begin with, I do not know what formula the minister is talking about. The cars that might be producing more bad emissions are trucks. If you read here, they are saying “nine-year-old vehicles, excluding goods vehicles”. I want him to convince me that the goods vehicles do not produce emissions. That is number one.

Number two, anything that has spent one week on the road is old. If we are saying that all the cars coming in are old, what about those that are newer than nine years? Are they new? We need to understand how these ones which are below nine years are.

Madam Speaker, I have my friend across there called Hon. Kateshumbwa. Recently, I saw him in a car. I asked him what type of car that was, and I was looking for one. He said you see; this is ‘Hybrid’. It uses both petrol and electricity. I would suggest that if you want, let us go to electricity. We have been here and tried to see that we bring in cars which use batteries and whatever. Now, recently, I got a motorcycle that uses batteries. Unfortunately, I must charge it myself. So, if petrol stations also are supported to have the mechanism of charging this, it will be very good.

Madam Speaker, I want to say, the minister might be looking for an excuse that it has environmental degradation impact. I think you are looking for taxes. Now, if you want taxes, I want to give you advice as my brother gave:

i) New cars are very good. The taxes on new cars are too high. I definitely drive brand new cars. The tax on it to buy doubles the cost of the car. You are increasing the taxes

here but you are not providing solutions to people who should buy new cars; and
ii) If you are talking about second-hand vehicles, I think we should look at mileage.

Let me give an example. Mileage will be the best -

THE SPEAKER: In most cases, they change the mileage.

MR NANDALA-MAFABI: Madam Speaker, allow me tell you nowadays it is very easy. Allow me give an example: there are people making noise that Hon. Nandala-Mafabi is chasing us from the land in Napanga, which is Bugisu Cooperative Union. I put in Artificial Intelligence (AI). Confirm if Bugisu Cooperative Union has land. AI brought the story about the land. These ones who were making noise about land grabbing - It brought the land’s story, and they said: “AI has come, and it is going to solve these problems.”

I want you to put it in AI. Was this car adjusted? It will say, yes or no. We better talk about AI software and we will solve this problem.

Madam Speaker, let us invest more in AI, and we shall be safe. You can determine whether a 15-year-old car has been driven only 200 kilometres or 1,000 kilometres.

You may get Nandala’s, which is three or five years old, but it has been driven around the whole country - it is over 200, although it looks new. Therefore, these are the things we should think about. Therefore, when you want to tax, let us look at it now.

In Uganda, we need cars. We need all Ugandans to have cars. I know this has an environmental problem impact, but I want to propose that the government reduce the taxes on cars from zero to nine.

We shall also put them because they are second-hand. This one from nine to whatever, we should give but also those above 12 or 15 years, you will allow them to come. Give it at

a rate. You say that any car above 15 years old, the tax will be 100 per cent. You do not deter by saying people should bring. That is the best way to do things. A man will say, you compare say, I would rather not go for 100 per cent, let me go and look for a younger car. Thank you.

THE SPEAKER: Thank you.

4.29

MR KARIM MASABA (Independent, Industrial Division, Mbale City): Thank you, Chair. The committee conducted a thorough analysis of this, and one of the things we discovered was that the Uganda Revenue Authority (URA) was happy with our recommendation because it would generate more revenue.

They estimated about Shs 400 billion, in addition to what the minister anticipated. So it is a good proposal, and it is going to help. That was why you saw that both the majority and minority reports agreed that we need to focus more on inspections and make sure that the cars in the country are roadworthy.

It is much better than trying to limit people from importing old cars. I therefore request that the minister concedes and we proceed and go to the committee stage.

THE SPEAKER: The doctor wants to give you some information.

Let him first concede, then you discuss on the committee.

MR MUSASIZI: Madam Chair, I have listened to the arguments advanced by the committee and by our colleagues on the opposite side. I am persuaded that we maintain the status quo as it is in the current law for the purposes of harmony and moving forward together.

THE SPEAKER: Yes, Doctor.

4.30

MR KEEFA KIWANUKA (NRM, Kiboga East County, Kiboga): It may probably help in the future discussion. The most important thing I wanted to say was that the minister was right.

Older cars are known to emit more emissions than newer cars because newer cars are manufactured with improved engine technology, fuel efficiency, and other emission controls. But if we are looking at the environmental levy, there are other accurate ways of testing the engine's emissions. I think that is what the ministry may explore, whether they can develop better tests for environmental emissions.

THE SPEAKER: Thank you. I put the question that the Traffic and Road Safety Amendment Bill, 2026 be read for the second time.

(Question put and agreed to.)

BILLS SECOND READING

THE TRAFFIC AND ROAD SAFETY AMENDMENT BILL, 2026

THE SPEAKER: You have maintained the status quo. All of it. You are not withdrawing but rather maintaining. Honourable member, since this Bill has been agreed as it is, the minister has conceded that he will make a statement so that we do not send it for assent, but by implication, it is still in operation – yes - the law is there, yes. The law remains in operation.

4.36

THE STATE MINISTER FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Thank you, Madam Speaker.

This Bill sought to amend the Traffic and Road Safety Act to prohibit the importation of motor vehicles that are more than 13 years old from the date of manufacture and to revise the import levy of motorcycles.

Madam Speaker, from the committee's analysis, the minority report and the debate in the House, I conceded and agreed with the committee that the proposal to amend this section be dropped. That meant that the whole

Bill has collapsed because it was more or less a one-clause Bill and since it has collapsed, I want to beg that we do not read it for the third reading.

THE SPEAKER: Thank you.

MR MUSASIZI: Therefore, Madam Speaker

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THE SPEAKER: The existing Bill remains operational.

MR MUSASIZI: Madam Speaker, you are correct and right. If we do not amend to pass this Bill and if we do not amend, it means the existing law will remain in force.

THE SPEAKER: Yes.

MR MUSASIZI: Therefore, by implication, I would like to beg the House to withdraw this Bill.

THE SPEAKER: But the existing remains operational. Go ahead. I put the question that the Traffic and Road Safety Amendment Bill 2026 be withdrawn.

(Question put and agreed to.)

Bill withdrawn.

BILLS SECOND READING

THE STAMP DUTY (AMENDMENT) BILL, 2026

THE SPEAKER: Honourable members, we will handle only this one. I see people are tired. For your sake, I, will do this, and then we will finish. Honourable Minister, please move the motion.

4.36

MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (MR Henry Musasizi): Madam Speaker, I beg to move a motion that the Stamp Duty

(Amendment) Bill 2026 be read for the second time.

THE SPEAKER: Thank you. Okay, seconded by Hon. Melsa, Hon. Catherine, Hon. Dorothy, Hon. Stella, by the whole side, and then Hon. Vicky and Hon. Susan. Can you justify?

MR MUSASIZI: Madam Speaker, the object of the Stamp Duty Bill is to amend the Stamp Duty Act to require persons carrying on a business of financial services to file a monthly return, to require a taxpayer to retain documents subject to stamp duty for a period of at least five years, and to amend schedule two of the Act to revise stamp duty payable on transfers and motor vehicle registration.

I submit for the House's consideration.

THE SPEAKER: Chairperson.

4.38

THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Mr Amos Kankunda): Madam Speaker and colleagues. This proposed amendment of the Stamp Duty (Amendment) Bill was forwarded, and the committee considered and we hereby report.

The committee observes and recommends as follows:

Filing returns by a person carrying on the business of a financial service.

Clause 2 of the Bill introduces a new insertion of clause 7A, which requires a person carrying on the business of financial services to file monthly returns of all sums received in respect of the stamp duty paid on the instruments with the Commissioner-General.

Where the person fails to file the returns, he or she is subject to pay a simple interest on the duty payable for every month during which failure continues.

According to the Ministry of Finance, currently, only insurance companies are required to file stamp duty returns. This amendment

extends the requirement to all financial service providers.

The aim is to give Uganda Revenue Authority a better visibility over financial transactions and ensure that stamp duty is correctly collected and reported. The information will also help URA to cross-check transactions declared by taxpayers against records held by the financial institutions.

Regular reporting will make it easier for the Uganda Revenue Authority to monitor compliance, detect underpayment, and act quickly where needed. It will also improve transparency in the financial sector and support more accurate and reliable revenue collection.

The committee observed as follows:

- i) The term business of financial services is not defined in the Bill; and
- ii) The provision does not provide clarity on who is required to file the returns under clause 2(3) and therefore becomes liable to pay the simple interest.

The committee recommends that clause 2 be amended to define the term “business of financial services” and provide clarity on who is required to file the returns under clause 2(3).

Retention of documents or records

Clause 3 of the Bill intends to amend section 62 of the Act and the proposed amendment requires a person who maintains a document or record to retain the document or record for at least five years from the date the document or record was generated.

The committee learned from the Ministry of Finance, Planning and Economic Development that taxpayers will be required to keep documents and records related to stamp duty for at least five years from the date they are created. For example, if a transfer of property is made today, they will be required to keep all the documents relating to this transaction for at least five years for purposes of stamp duty.

Currently, the Stamp Duty Act does not clearly state how long such records should be kept. This makes it difficult for the Uganda Revenue Authority to carry out audits, especially for transactions from previous years. The proposed five-year period brings consistency with the existing tax laws as it follows the rule already provided in the Tax Procedures Code Act.

This change will clarify the law, help URA verify transactions more easily, reduce disputes, and encourage better record-keeping by taxpayers and professionals. The committee observed that the proposal is justified to ease audit and dispute resolution, and second, the proposal aligns with standard commercial record-keeping practices and is not expected to create a significant additional burden. Therefore, the committee recommends that clause 3 of the Bill be adopted.

Amendment of Schedule Two, items 63 and 67

Item 63, stamp duty on transfers

Clause 4 of the Bill proposes to amend item 63 under schedule two to provide that the stamp duty payable for an instrument of transfer of total value is 3 per cent. The ministry indicated that this amendment increases stamp duty on land transfer from 1.5 to 3 per cent. This Duty is paid when ownership of land is transferred. The increase is to raise revenue from land transactions.

The committee observed as follows:

- i) The current stamp duty for the transfer of the total value is 1.5 per cent. The proposed duty has thus been raised by 100 per cent points.
- ii) The increase by 100 per cent points to 3 per cent is a disproportionate burden on the poor and vulnerable and will raise overall transaction costs, especially to the vulnerable, such as widows, orphans, and also complicate inheritance processes.
- iii) The proposed amendment is only targeting registered land, of which only 30 per cent of the land in Uganda is registered, and 81

per cent of transfers are for mailo/freehold tenure;

- iv) The land policy in Uganda encourages registration of land, which would, among others, enable the government to generate additional revenue as the tax base expands;
- v) Doubling the stamp duty is a disincentive to formal registration of land;
- vi) The proposed increment in the rate of stamp duty for the transfer of the total value is too high. The increment in the rate should be gradual.

Item 67 - stamp duty on motor vehicles, motorcycles, tricycles and quadricycles

A new tax item has been introduced as item 67 in Schedule 2 to provide for stamp duty on the registration or transfer of motor vehicles, tricycles, or quadricycles. The stamp duty proposed is Shs 50,000 for motorcycles, tricycles, quadricycles, while for any other motor vehicle it is Shs 200,000.

The ministry informed the committee that the new insertion of item 67 presents a large and reliable source of revenue that is not yet taxed. The proposed duty is small and affordable but can generate significant revenue when applied across many transactions.

The committee observed that:

- i. the amendment is intended to increase Government revenue by capturing more value from the rapidly growing transport sector.
- ii. the measure supports broader transport and regulatory objectives. Increasing taxation will aid the management of the growth of the vehicles, motorcycles, tricycles and quadricycles which are associated with road safety concerns, congestion, and urban planning challenges.
- iii. currently, motor vehicle owners, owners of motorcycles, tricycles and quadricycles do not pay non-tax revenue and as such, the proposed tax at registration is fair.
- iv. the amendment strengthens revenue collection while supporting transport regulation and addressing gaps in the taxation.

The committee recommends that:

- i. the stamp duty on transfer of the total value under item 63(a) be amended as proposed.
- ii. clause 4(b), item 67(a) be adopted as proposed.
- iii. clause 4(b), item 67(b) be adopted as proposed.

In conclusion, the committee recommends that the Stamp Duty (Amendment) Bill, 2026, be passed with the proposed amendments. I beg to submit.

4.48

MR IBRAHIM SSEMUJJU (FDC, Kira Municipality, Wakiso): Madam Speaker, I will summarise this minority report signed by the same MPs who signed the earlier ones – *(Interjection)* - Do not ask. You signed yours at midnight.

The contentious issues were the transfer of land, and I will just state. We are saying we need to maintain the 1.5 per cent because the Government was looking at real estate, but there are also ordinary people who are doing transfers. When you die, they transfer the title into the names of your children, and sometimes they do not even have money. We said this one should be left. It should not be just a revenue measure.

Then, these transfers of boda bodas. I want to go to the table there. Transfer of motorcycle -

THE SPEAKER: Let us first finalise land. Hon. Musasizi, how many people in your constituency have land titles? Seriously speaking, for the first time, what he is saying is very serious. He is my very good friend. Hon. Musasizi, you need a middle ground on this. Transfer of land titles is very costly. People want to have land titles, but they cannot afford them. Now, the Government has even decided to give free land titles. We would actually put money into the project of giving free land titles. *(Applause)*

MR MUSASIZI: Madam Speaker, the biggest challenge our people in the rural communities

are facing is not what this law is seeking to achieve here. In the village, there is a land committee at the subcounty and another at the district. If you want to process a land title, you pay fees at the subcounty level and also pay fees at the district level. By the time you get a title, you have spent about Shs 3 million or even more. This is a problem which we, as representatives of the people, should address because this money is not official; it is for sharing amongst the committee members. It is supposed to be free, but they cannot sit until you have facilitated them.

THE SPEAKER: So, how much is official?

MR MUSASIZI: Madam Speaker, this is what is happening -

THE SPEAKER: How much is official?

MR MUSASIZI: I think the Minister of Lands, Housing and Urban Development is in position to answer that.

THE SPEAKER: Hon. Abdu, do you have something to say?

4.52

MR ABDU KATUNTU (Independent, Bugweri County, Bugweri): Thank you very much, Madam Speaker. Honourable minister, concerning the point being raised about stamp duty, your answer is complicating your case. You are saying that a person seeking to bring land under the Act is already burdened at land committee level; both at subcounty and district level.

In addition, you are now saying let us increase the stamp duty at national level. Does that make sense? I think you need to concede that the Government policy is to bring the land under the Act such that people can use that land sometimes even to access credit. If you increase stamp duty, then you are discouraging people. Therefore, it is not about you - the process itself becomes very expensive.

I think the majority committee report is talking about 80 per cent of our land not being titled.

What we should be doing is to make sure that we make this process easier such that the majority of our people get titles. It increases security of tenure because nobody will easily steal a titled land but also you use it as a security for purposes of commercial transaction and accessing credit. This is basic economics, I thought. Thank you.

4.53

MR MUHAMMAD NSEREKO (Independent, Kampala Central Division, Kampala): Madam Speaker, my comrade, a very intelligent colleague, Hon. Musasizi, I think, in a view to look for revenue here and there, was just touching everywhere, but you might end up killing the very same industry that you want.

In this case, let me show you. Already you have rental income from people. Do you understand? You have come here and asked for an increment on excise duty on cement. As if that was not enough, you went for motorcycle registration. This Parliament has been very kind to you and you went for fuel. This Parliament was again very kind to you and you touched everywhere and even was progressive to you on second-hand clothes but now, after someone accumulating all he has remained with, they go and purchase some little land. As they purchase this little land, you want to also come and say, from whatever savings you have made, you want to increase the stamp duty for one to transfer it from -

THE SPEAKER: On what clause are you?

MR NSEREKO: I am talking about -

THE SPEAKER: You know, the more the land is titled, the more revenue we get. Then, we can tax that revenue.

MR NSEREKO: Absolutely.

THE SPEAKER: So, why don't we have more land titled?

MR NSEREKO: We should encourage it.

THE SPEAKER: Hon. Musasizi, you also need to give money to those people who are giving free land titles. Give them money so that we have land titles and have the safety of our land.

MR NSEREKO: We appeal to Hon. Musasizi that we knew, not the one now *-(Interjection)-* Madam Speaker, the record should hold that Hon. Musasizi was one of the people against the increment in stamp duty when he was the chairperson of this committee. We commend him for everything that he did with excellence. There is no doubt about that.

Hon. Musasizi, I want to see the version of you representing the people of Rubanda who actually want their land titled, having spoken here very vocally that they have been burdened by the land committees - *kitu kidogo* is too much and that they are worried about the new Building Control Act, which threatens to have their houses erased. Now, you have come with a stamp duty of 3 per cent! Even my colleague from Ntoroko, on this one, I think you will agree that we drop it.

MR MUSASIZI: Madam Speaker, since the people who are looking for titles are going to construct rentals, which rentals will attract tax *-(Applause)*

As a principle, we always avoid taxing at the start. We want to tax at the end. Also, cognisant that there is already a stamp duty on transfer of titles at -

THE SPEAKER: That is Hon. Musasizi, the former Chairperson of the Committee on Finance, Planning and Economic Development.

MR MUSASIZI: Madam Speaker, I concede.

THE SPEAKER: Honourable members, I put the question that the Stamp Duty (Amendment) Bill, 2023 be read for the second time.

(Question put and agreed to.)

BILLS
COMMITTEE STAGE

THE STAMP DUTY (AMENDMENT) BILL,
2026

Clause 1

THE CHAIRPERSON: No amendment. I put the question that clause 1 stands part of the Bill.

(Question put and agreed to.)

Clause 1, agreed to.

Clause 2

MR KANKUNDA: Madam Chairperson, the committee proposes that clause 2 is amended –

(a) in the proposed subclause (2), by substituting for the words “proper duty” the words “stamp duty”;

(b) by inserting immediately after subclause (3) the following:

“For purposes of this section, “financial services” means -

(i) granting, negotiating, dealing with loans, credit, credit guarantees and any other security for money, including management of loans, credit or credit guarantees by the guarantor;

(ii) transactions concerning deposit and current accounts, payments, transfer, debts, cheques and negotiable instruments other than debt collection and factoring;

(iii) transactions relating to shares, stocks, bonds and other securities, other than custody services;

(iv) management of investment funds, but does not include provision of credit facilities under a hire purchase or finance lease agreement.”

Justification

i) To provide clarity to the clause.

ii) To provide for the definition of “financial services” as used in the clause.

THE CHAIRPERSON: Committee chairperson, are you also including unit trusts here?

MR NANDALA-MAFABI: I have liked the chairperson's submission but he has forgotten one category: moneylenders. We should add moneylenders here.

The justification is that moneylenders are also operating in financial services.

THE CHAIRPERSON: He actually says "management of investment funds, but does not include provision of credit facilities". Those moneylenders are a problem.

MR KANKUNDA: Madam Chairperson, when we were enlisting these for purposes of "financial services" – including management of loans or credit – I think this includes moneylenders.

THE CHAIRPERSON: No.

MR NANDALA-MAFABI: You are talking of the business of financial services. If you are not very careful, moneylenders are going to jump out yet they are the ones who are really squeezing our people. If we register them to file a return, we shall be getting them on both sides: first on stamp duty and income tax. Unless you are one, but I know you are not, Hon. Amos. *(Laughter)*

Madam Chairperson, I would like to add moneylenders. The justification is that they deal in instruments when they lend money and earn interest on the income. Is it okay? Thank you.

MR MUSASIZI: Madam Chairperson, the proposal by the committee is for clarity. I, therefore, agree with the committee as well as the addition by Hon. Nandala-Mafabi. I hear that the lawyers call it "for avoidance of doubt". We can include moneylenders so that it is clearer.

I submit, Madam Chairperson.

THE CHAIRPERSON: I put the question that clause 2 be amended as proposed.

(Question put and agreed to.)

Clause 2, as amended, agreed to.

Clause 3

MR NANDALA-MAFABI: Madam Chairperson, I do not know why Uganda Revenue Authority is saying they should keep this document. If I were to transfer my land, there would be a Government valuer who would value the land. He will attach the value. From that value is when URA will generate the assessment. When they are generating the value, they say "attach all the documents". Who keeps the documents? URA keeps them. Why is it coming up again that URA wants a taxpayer to keep documents yet when they are doing the assessment themselves, they keep the documents?

MR KATESHUMBWA: I hear my senior consultant here. However, the spirit behind this provision is to enable an audit and it is consistent with the other laws that require keeping and preserving records.

I do not think it is harmful because the audits may need to be carried out but the document is not available. It is in the favour of the taxpayer to keep the records so that in case an audit is required, you have something to defend yourself with.

THE CHAIRPERSON: I put the question that clause 3 stands part of the Bill.

(Question put and agreed to.)

Clause 3, agreed to.

Clause 4

MR KANKUNDA: Madam Chairperson, subsequent to the conceding by the honourable minister and whereas the committee had proposed 2 per cent, we hereby concede and adjust it to 1.5 per cent. I submit.

THE CHAIRPERSON: I put the question that clause 4 be amended, as proposed by Hon. Ibrahim Ssemujju of 1.5 per cent of land – yes.

MR NANDALA-MAFABI: Here, the 1.5 per cent is in the current law, so clause 4(a) is hereby deleted.

Madam Chairperson, if we had time, we would have known the reason. Stamp duty started from 10 per cent on land. People started forging the value.

THE CHAIRPERSON: Okay. I put the question that clause 4(a) on transfer of lands be deleted.

(Question put and agreed to.)

THE CHAIRPERSON: You will now amend the other Act not this one. We are okay with the 1.5 per cent. Go to clause 4(b).

MR SSEMUJJU: On clause 4(b), I would like to ask because I had presented a table, which I wanted to use as a base to propose deletion of this one when I was presenting my report. I hope that table can be shown; that is the only table I want to use to make the argument. Scroll down.

Madam Chairperson, we are now requiring people transferring motorcycles, tricycles and vehicles - First of all, I am shocked. This is also a matter of security; the Government should encourage people, when they are selling, to transfer so that you then know the true owners. However, you are now creating a burden.

This particular table tells you what a boda boda man or motorcycle owner pays. In my area, there are boda boda people. Scroll down to the total. When you total all these taxes, if you go to buy a boda boda or motorcycle, the Government is going to charge you Shs 2.2 million in all these fees.

Earlier, we were asking them to pay for registration. Without wasting a lot of time, someone riding a motorcycle will pay taxes per litre on fuel and on average, they use 5 litres a

day. I have made the calculation here. A boda boda man pays Shs 2.7 million per annum by buying fuel.

In the end, if you have one million boda bodas on the road, the Government is going to be collecting Shs 2.7 trillion when they use fuel. So, why do you burden them that at every stage, you are asking them at registration and transfer yet they are already paying you every day by consuming fuel?

My proposal is to also delete this one. First of all, it is a security matter. You want people to sell and transfer –

THE CHAIRPERSON: Delete which one?

MR SSEMUJJU: Clause 4(b).

THE CHAIRPERSON: The Shs 50,000 and Shs 200,000?

MR SSEMUJJU: Yes.

THE CHAIRPERSON: For registration and transfer?

MR SSEMUJJU: Yes.

THE CHAIRPERSON: When you are registering a car, don't you pay?

MR SSEMUJJU: Yes, but Madam Chairperson, if the Government was carrying out research, you will find many people do not want to pay. They just sell and make an agreement. You might think the vehicle on the road belongs to Ssemujju because it is registered under Ssemujju's name, yet Kateshumbwa bought it long ago. We should be encouraging people to transfer; you do not have to burden them. I have already told you that you charge a boda boda Shs 2.7 million every year by buying fuel. So, what is Shs 50,000 for you to stop transfers?

MR ODUR: Madam Speaker, I want to use the example of the honourable minister. When he was with us here, seven years ago, we had a broad discussion on issues of stamp duty.

The Government brought a proposal. At that time, we were discussing stamp duty on the promissory note we had issued to Lubowa hospital at Shs 1.4 trillion.

In his report, Hon. Musasizi, instead of the 1 per cent, I remember, said we should bring it to a flat rate of Shs 100,000 for document registration to facilitate investors and relieve them of that burden. At that time, the 1 per cent would have been Shs 140 billion. We came down from Shs 140 million by his report of the committee to just Shs 100,000 on the promissory note.

In principle and what I know about him, he looks at stamp duty as something which is a hindrance to smooth transfer of business. Would the minister now be pleased to concede on this matter and we move on?

THE CHAIRPERSON: By the way, honourable minister, we would like to thank you for Lubowa hospital. When you pass Entebbe Road, you are able to see Lubowa hospital. I would like to take a drive there with Hon. Ssenyonyi, the Leader of the Opposition.

MR SSEMUJJU: Madam Chairperson, since you are our Speaker, I kindly request you not to validate that project; it has issues.

THE CHAIRPERSON: Lubowa?

MR SSEMUJJU: Yes.

THE CHAIRPERSON: No, Lubowa is okay.

MR SSEMUJJU: Even if there is a small building coming up, the amount of money spent makes it a scandal. So, I kindly ask you not to validate it.

THE CHAIRPERSON: Actually, I would like to go there and see it with the honourable LOP. Honourable minister, on this issue of registration -

MR MUSASIZI: Madam Speaker, I am very strong on this issue. Tax has never been good to a taxpayer but we must also recognise –

THE CHAIRPERSON: From the biblical times.

MR MUSASIZI: Yes. We must recognise that the only way we can sustain financing the Government obligations is through raising taxes from the citizenry and in return, you give them services. This is related to transport. We are investing a lot. For example, in the budget this year alone, we are proposing Shs 8.8 trillion to spend on transport. Madam Chairperson, this money must be raised domestically by ourselves.

THE CHAIRPERSON: But we have also had a win-win situation.

MR MUSASIZI: I have just conceded on stamp duty.

THE CHAIRPERSON: We have conceded on land.

MR MUSASIZI: I should also get something from this Bill- (*Interjections*)- I have conceded on land so you should also give me this one.

MR NANDALA-MAFABI: My young brother, I am going to give you an opportunity. One, the motorcycle and the car you are talking about use fuel. Madam Speaker, currently, to transfer a car, you have to pay. We are not saying do not pay. Pay Shs 30,000 to transfer a motorcycle.

What we are trying to say is that the more you put it here, the more people will not transfer. For example, if a doctor gave me a car, I would just drive. If the police got me, I would say, "It is the doctor's car. I have not finished the payment." The law is very funny. Let us keep the current law of transfer of Shs 30,000 and continue. If currently at Shs 30,000, they are not transferring, what will happen if you take it to Shs 200,000?

MR AOGON: Once someone has got their logbook, they can use it as security for securing a loan. However, if someone is unable to complete the transfer due to prohibitive figures, they cannot access the logbook. When

you need money, you will get squeezed. You will look for land titles, which are not there and the logbook is not yours, so you get stuck.

Therefore, I also agree that we lower the figure to at least a representative level. Put something smaller – *(Interjections)* - Shs 30,000, but allow people to transfer.

THE CHAIRPERSON: How many people are speaking? Hon. Nandala-Mafabi had talked about Shs 30,000, not so?

MR NANDALA-MAFABI: Madam Speaker, we want to maintain the current rate.

THE CHAIRPERSON: What is the current rate?

MR NANDALA-MAFABI: Shs 30,000.

THE CHAIRPERSON: That is what we are saying, that we maintain Shs 30,000.

MR NANDALA-MAFABI: Therefore, what we have to do is to delete.

MR NSEREKO: Madam Chairperson, we have been very kind to Hon. Musasizi. These are the low-income earners. They are business start-ups. I do not know how you are going to meet your *boda boda* riders in Rubanda but I do not want to blackmail you in this case. Let us leave these people to grow slowly because we have already increased the tax on fuel -

THE CHAIRPERSON: Those are our biggest voters.

MR NSEREKO: Even when applying medicine, go slow. You do not issue all medication at once. Even my brother from Ntoroko will support me on this.

THE CHAIRPERSON: I would like to hear from the minister. Currently, we are at Shs 30,000.

MR MUSASIZI: Madam Speaker, I hear you. For purposes of moving forward, can we move to Shs 50,000 from Shs 30,000? I move that the question be put – *(Interjections)*

THE CHAIRPERSON: For motor vehicles, people have money. Let us look at the *boda bodas*. Vehicles are okay. By the time you buy a car, it means you have money.

MR MUSASIZI: I propose that instead of Shs 50,000, we go by Shs 30,000.

THE CHAIRPERSON: Therefore, we are deleting that because it is currently Shs 30,000.

MR MUSASIZI: If that is the case, then we delete. We delete (a) and maintain (b).

THE CHAIRPERSON: Therefore, I put the question that we delete registration on a *boda boda*. Then, the clause on the motor vehicles stands part of the Bill.

(Question put and agreed to.)

Clause 4, as amended, agreed to.

The Title, agreed to.

MOTION FOR THE HOUSE TO RESUME

5.19

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES)

(Mr Henry Musasizi): Madam Chairperson, I beg to move a motion that the House do resume and the Committee of the whole House reports thereto.

THE CHAIRPERSON: I put the question that the House resumes and the Committee of the whole House reports thereto.

(Question put and agreed to.)

(The House resumed, the Speaker presiding.)

REPORT FROM THE COMMITTEE OF
THE WHOLE HOUSE

(Question put and agreed to.)

5.20

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, I beg to report that the Committee of the whole House has considered the Bill entitled, “The Stamp Duty (Amendment) Bill, 2026 and passed it with amendments.

A BILL FOR AN ACT ENTITLED, “THE STAMP DUTY (AMENDMENT) ACT, 2026”

THE SPEAKER: Title settled and the Bill passed. Thank you.

MOTION FOR ADOPTION OF THE
REPORT FROM THE COMMITTEE OF
THE WHOLE HOUSE

Honourable members, tomorrow we shall have a sitting to pay tribute to our colleague. I request all of you to be there. The body will be here at 10.00 a.m. I request you all to come and receive the body of our colleague, sister, and friend. We will spend the whole day paying tribute to the late Helen.

5.21

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, I beg to move a motion that the report from the Committee of the whole House be adopted.

Honourable members, you are all mothers and fathers. This is your first home, and as such, a problem for one of us is a problem for all of us. Also, when a problem affects any of us, there are no parties. This young lady has been a single mother, and she has left behind a daughter. As Parliament, that is our daughter. We must build that culture.

THE SPEAKER: I put the question that the report from the Committee of the whole House be adopted by this House.

Therefore, I would like to allow you to go and prepare for tomorrow’s sitting as we pay respect to our departed. We will miss Helen, and we love her. I adjourn the House to tomorrow. We will be here early, but the House will sit at 2.00 p.m. House adjourned.

(Question put and agreed to.)

Report adopted.

(The House rose at 5.24 p.m. and adjourned until Wednesday, 22 April 2026, at 2.00 p.m.)

BILLS
THIRD READING

THE STAMP DUTY (AMENDMENT) BILL,
2026

5.21

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, I beg to move that the Stamp Duty (Amendment) Bill, 2026, be read for the third time and do pass.

THE SPEAKER: I put the question that the Stamp Duty (Amendment) Bill, 2026 be read the third time and do pass.