
BILLS

SUPPLEMENT No. 3

30th March, 2022

BILLS SUPPLEMENT

to The Uganda Gazette No. 15, Volume CXV, dated 30th March, 2022

Printed by UPPC, Entebbe, by Order of the Government.

Bill No. 11 *Tax Procedures Code (Amendment) Bill*

2022

**THE TAX PROCEDURES CODE (AMENDMENT)
BILL, 2022**

MEMORANDUM

The object of this Bill is to amend the Tax Procedures Code Act, 2014, Act, 14 of 2014 to provide for the time frame for registration of a tax agent; to provide for the temporary closure of businesses until compliance with the requirements of electronic receipting and invoicing or tax stamps; to provide for disclosure of information on contracted services; to provide for penalties for failure to affix or activate tax stamps, printing over or defacing of tax stamps, forgery of tax stamps, failure to use electronic receipting or invoicing, forgery of electronic receipt or invoice interference with the electronic fiscal device or the electronic dispensing control device; to provide for payment of informers and for related matters.

MATIA KASAIJA (MP),
Minister of Finance, Planning & Economic Development.



THE TAX PROCEDURES CODE (AMENDMENT) BILL, 2022

ARRANGEMENT OF CLAUSES

Clause

1. Commencement
2. Amendment of section 3 of the Tax Procedures Code Act 2014
3. Amendment of section 19B of the principal Act
4. Amendment of section 33 of the principal Act
5. Amendment of section 42 of the principal Act
6. Amendment of section 58 of the principal Act
7. Insertion of new sections 62B, 62C, 62D, 62E, 62F, 62G and 62H to principal Act
8. Amendment of the principal Act

A Bill for an Act

ENTITLED

**THE TAX PROCEDURES CODE (AMENDMENT)
ACT, 2022**

An Act to amend the Tax Procedures Code Act, 2014, Act, 14 of 2014 to provide for the time frame for registration of tax agent; to provide for the temporary closure of businesses until compliance with the requirements of electronic receipting and invoicing or tax stamps; to provide for disclosure of information on contracted services; to provide for penalties for failure to affix or activate tax stamps, printing over or defacing of tax stamps, forgery of tax stamps, failure to use an electronic receipting or invoicing, forgery of electronic receipt or invoice interference with the electronic fiscal device or the electronic dispensing control device; to provide for payment of informers and for related matters.

BE IT ENACTED by Parliament as follows:

1. Commencement

This Act shall come into force on 1st July, 2022.

2. Amendment of the Tax Procedures Code Act, 2014

The Tax Procedures Code Act, 2014 in this Act referred to as the principal Act is amended in section 9 by substituting for subsection (4) the following—

“(4) The registration of a tax agent shall remain in force from the date of issue of the certificate of registration to 31st December of the year of issue.”

3. Amendment of section 19B of the principal Act.

Section 19B of the principal Act is amended in subsection (1) by inserting immediately after the words “section 19A(3)” the words “or to activate tax stamps”

4. Amendment of section 33 of the principal Act

Section 33 of the principal Act is amended—

- (a) in subsection (1) by inserting immediately after the word “payable” the words “or for failure to comply with the requirements of electronic receipting and invoicing or tax stamps”;
- (b) in subsection (2) by inserting immediately after the word “due” the words “or fails to comply with the requirements of electronic receipting and invoicing or tax stamps”;
- (c) by substituting for subsection (5) the following—

“(5) If the taxpayer complies with the tax obligations under subsection (1) during the period of closure, the Commissioner shall immediately remove the notice referred to in subsection (4).

5. Amendment of section 42 of the principal Act

Section 42 of the principal Act is amended by inserting immediately

after subsection (4) the following—

“(5) Notwithstanding the provisions of subsection (1), a person engaged in the construction or extractive industry shall disclose to the Commissioner the names of the persons contracted in the course of performance of duties or business within seven days from the date of signing the contract.

(6) A person engaged in the construction or extractive industry, who fails to comply with the provisions of subsection (5), is liable to pay a penalty of one thousand currency points.”

6. Amendment of section 58 of the principal Act

Section 58 of the principal Act is amended by substituting for the words “two hundred” the words “five thousand five hundred”;

7. Insertion of new sections 62B, 62C, 62D, 62E, 62F, 62G and 62H to principal Act.

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

“62B Failure to affix or activate a tax stamps

A tax payer who fails to affix tax stamps on goods prescribed under section 19A (3) or activate tax stamps commits an offence and is liable, on conviction, to a fine not exceeding one thousand five hundred currency points or imprisonment not exceeding ten years or both.

62C. Prints over or defacing of tax stamps

A person who prints over or defaces tax stamps affixed on goods prescribed under section 19A (3) commits an offence and is liable, on conviction, to a fine not exceeding one thousand five hundred currency points or imprisonment not exceeding ten years or both.

62D. Forgery of tax stamps

A person who forges or is found in possession of a forged tax stamp commits an offence and is liable, on conviction, to a fine not exceeding one thousand five hundred currency points or imprisonment not exceeding ten years or both.

62E. Failure to use an electronic receipting or invoicing

A taxpayer specified under section 73A (2) who does not issue an e-invoice, issue an e-receipt or employ an electronic fiscal device in accordance with section 73A, commits an offence and is liable, on conviction, to a fine not exceeding one thousand five hundred currency points or imprisonment not exceeding ten years or both.

62F. Forgery of electronic receipt or invoice

A person who forges or is found in possession of a forged electronic receipt or invoice commits an offence and is liable, on conviction, to a fine not exceeding one thousand five hundred currency points or imprisonment not exceeding ten years or both.

62G. Interference with the electronic fiscal device or electronic dispensing control device

A person who makes unauthorised interference with the software or hardware of an electronic fiscal device or electronic dispensing control device commits an offence and is liable, on conviction, to a fine not exceeding one thousand five hundred currency points or imprisonment not exceeding ten years or both.

62H. Offences relating to automatic exchange of information

A person who contrary to the regulations made under section 88 (3b) of the Income Tax Act—

- (a) fails to file an information return for purposes of automatic exchange of information commits an

offence and is liable, on conviction, to a fine not exceeding two thousand five hundred currency points for each day of default or to imprisonment for the term not exceeding ten years or both;

- (b) fails to maintain records for purposes of automatic exchange of information commits an offence and is liable, on conviction, to a fine not exceeding two thousand five hundred currency points for each day of default or to imprisonment for a term not exceeding ten years or both;
- (c) makes a false or misleading statement in the information return commits an offence and is liable, on conviction, to a fine not exceeding two thousand five hundred currency points for each day of default or to imprisonment for a term not exceeding ten years or both; or
- (d) omits from a statement made in the information return commits an offence and is liable, on conviction, to a fine not exceeding two thousand five hundred currency points for each day of default or to imprisonment for a term not exceeding ten years or both”.

8. Amendment of the principal Act

The principal Act is amended by substituting for section 74A the following—

“74A. Payment of informers

- (1) The Commissioner shall pay to a person who—
 - (a) provides information leading to identification of unassessed tax or duty one percent of the tax or duty assessed or fifteen million shillings, whichever is less; or

(b) provides information leading to recovery of unassessed tax or duty five percent of the tax or duty recovered or one hundred million shillings whichever is less.

(2) Subsection (1) shall not apply to an officer or a staff of the Authority.