



# SPECIAL EDITION

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## CSO Presser on Tax proposals for FY 2018/19



Left– Right: Ms. Imelda Namagga (UDN), Mr Bazira Henry (WGI), Ms. Nelly Businge (SEATINI) and MS. Elliot Orizaarwa (WEGCDA) addressing a Press Conference on CSO Tax policy proposal for FY2018/19 at SEATINI Uganda offices in on 11th Jan 2018.

### I. Introduction

Members of the Tax Justice Alliance including Uganda Debt Network, SEATINI Uganda Oxfam in Uganda, Civil Society Budget Advocacy Group (CSBAG), Action Aid Uganda, Citizens Watch-Information Technology, Women and Girl Child Development Association and many others held press conference at SEATINI Offices to present CSOs FY2018/19 Tax Policy proposals on 11th January 2018.

Uganda is currently implementing a number of policy and administrative measures to generate revenues to finance service delivery and development projects. The resource envelope for the FY2018/19 includes a number of revenue resources like: i) Domestic revenue, ii) Domestic financing, budget and project support. Therefore there is need to have a healthy and vibrant domestic revenue base as the main contributor to the resource envelope and Taxation to be looked at as a tool in fulfilling the 4Rs (Revenue, Redistribution, Repricing and Representation.)

### 2. Domestic Revenue

In the FY 2018/19, the Domestic Revenue projection stands at UGX Shs.15, 547 billion of which Shs.15, 130 billion is tax revenue and Shs.418 billion is non-tax revenue. This amounts to about 53% of the total resource en-

velope which has been estimated at Shs.29.247trillion to finance the budget under the theme: “Industrialization for Job creation and shared prosperity.” Therefore it is important that the country generates as much revenue as it can domestically in order to reduce the debt burden and be able to finance its development.

### 3. Presser Comments

UDN’s Imelda Namagga called upon Government to improve Revenue mobilization at Local Government level to add to more revenue generation in the country and to reduce Government’s borrowing. She also urged Members of parliament to pay taxes just like other Ugandans. *“Exemption of tax on the emoluments of Members of Parliament cost the country over UGX49bn, MPs should be subjected to payment of tax on their emoluments”*

SEATINI’s Nelly Businge called upon Government to revise PAYE every after 5 years to cater for inflationary tendencies and also enable citizens earn real income. *“PAYE was last adjusted in FY2012/13 when the exchange rate was US\$2,500 shillings, and today the change rate has increased by 44% to an average of 3600 shillings for 1US\$.”*

Mr Bazira Henry (ED,WGI) noted that, intention for the environment levy has not been met, levy money is not going to the environment fund and suggested that; *“at least 30% of environmental levy should be sent directly to the environmental fund to address the purpose for which it was intended, besides the normal budgetary allocations to the sector.”*

MS. Elliot Orizaarwa (WEGCDA) noted the issue of waving VAT is not enough, *“For the sake of tax fairness, there should be uniformity in prices take an example of the fuel prices in Uganda. Transportation has become too expensive due to lack of regulation in fuel prices.”*

### 4. Conclusion

Government needs to improve tax policy and practice to boost revenue collections in order to finance the countries development priorities, however this should be done in a progressive manner that limits the rise of inequality across the country.