



UGANDA’S TAX POLICY MAKING PROCESS AND CALENDER

The tax policy-making process in Uganda involves several stages and stakeholders, aiming to develop a comprehensive and effective tax system that supports the country's economic growth and social development. In a bid to foster stakeholder engagement and transparency in tax policy formulation and review, this Ministry is publishing Uganda’s tax policy making process, highlighting the key process deliverables, timelines, and roles of the various stakeholders, as follows:

Part A: Uganda’s Tax Policy making process – Key timelines

S/N	Phase	Activity	Timelines
1.	Strategic Phase	Identification of tax policy objectives	Q1 (July to August)
2.	Planning Phase	Preparation of preliminary tax proposals (First Budget Call Circular)	July - September
		Call for tax proposals from Private Sector, Industry Associations, Civil Society Organizations, Academia and the General Public.	July - September
		Consultation and Stakeholder Engagement on tax proposals	September/November
		Preparation of issues paper as input into Regional consultations on the budget	September - October
3.	Development Phase	Generate forecasts and projections of revenues as input into the Provisional Resource envelope	September - October
		Review and analysis of tax proposals to meet one or more of the following objectives: generate additional tax revenue; broaden the tax base; improve coverage; increase clarity and certainty; enhance tax compliance; support	July - November

		government policy priorities; promote savings and investment and encourage desired behavioural change.	
4.	Legislative and Approval Phase	Review and clearance of tax proposals by Top Management in MFPED.	September/November
		Meetings with Presidential Advisory Committee on the Budget (PACOB) to discuss tax proposals	September/November
		Submission of Tax Proposals as part of the National Budget Framework Paper to Cabinet	November
		Preparation and publishing of Stakeholder Engagement Report on Tax Proposals	November/December
		Preparation and drafting of Tax Bills	November/December
		Printing of Tax Bills	November -December
		Discussion and debate of Tax Bills in Parliament	April-May
		Pre-Budget consultations by EAC Ministers of Finance to define EAC tax proposals for the ensuing FY	April
		Presidential Assent of Tax Bills	Within 30 days of Parliament passing the Bills
5.	Implementation Phase	Tax laws become effective	1 st July of ensuing FY
6.	Evaluation Phase	Report on Tax Expenditures to Parliament	Once quarterly (September, December, March, June)
		Monitor and evaluate tax policies' effectiveness and impact to identify any potential shortcomings and provide insights for future policy adjustments and improvements	Continuous

Part B: Stakeholder Roles in the Tax Policy Making Process

S/N	STAKEHOLDER	ROLE
1.	H.E. The President	i) Provide leadership and direction on all tax matters to the entities responsible for tax policy and tax administration.
2.	Cabinet	<p>i) Set up a Joint Taxation Committee comprising members from ministries responsible for Finance, Planning and Economic Development; Trade, Industry and Cooperatives; Justice and Constitutional Affairs; Local Government; the Local Government Finance Commission, and Uganda Revenue Authority to make recommendations towards optimizing revenue from the tax systems at both central and local government levels.</p> <p>ii) Set aside a uniform day in the year as a National Tax Day to promote tax compliance.</p>
3.	Ministry of Finance, Planning and Economic Development (MoFPED)	<p>i) Primary responsibility for tax policy matters, including initiating proposals for amendments to tax laws by Parliament.</p> <p>ii) Cultivate public understanding of what tax policy is seeking to achieve and accomplish. Set in motion machinery for tax reform.</p> <p>iii) Receive, analyse and aptly utilize evidence-based tax policy proposals from a wide range of stakeholders including taxpayers, tax practitioners, government experts, and members of the public.</p> <p>iv) Ensure adequate funding to the tax authority and other revenue collecting entities.</p> <p>v) Regularly inform the public on the use to which tax monies are being applied.</p>
4.	Ministry of Local Government	i) Co-operate with the MoFPED and the tax authority in ensuring local governments provide and share all information that would assist in the accurate assessment and collection of the relevant taxes and in ensuring elimination of multiple taxation where applicable.

	Local Government Finance Commission	<ul style="list-style-type: none"> i) Ensure that local governments provide information on tax rates to be levied by local governments as provided under article 194 (4d) of the Constitution of the Republic of Uganda. ii) Cooperate with the Ministry of Finance, Planning and Economic Development and Uganda Revenue Authority in ensuring that local governments provide information on potential local revenue sources collectable by local governments and potential for each local revenue source. iii) Cooperate with the Ministry of Finance, Planning and Economic Development and Uganda Revenue Authority in ensuring that local governments provide information on implementation of feedback on Local Government Budget Analysis Report.
5.	Local Governments	<ul style="list-style-type: none"> i) Cooperate with MoFPED and URA with respect to revenue mobilization including putting in place sustainable structures for the purpose of identifying and plugging bottlenecks and leakages in the revenue cycle, creation of sharable taxpayer databases, and harmonization of tax processes and administration where necessary to ensure elimination of multiple taxation at both levels of Governments and to make compliance easier for taxpayers and to lead to higher compliance rates.
6.	Ministry of Education and Sports	<ul style="list-style-type: none"> i) Make concerted efforts to ensure that taxation is taught at all levels of education in Uganda to increase tax awareness and compliance.
7.	Ministry of ICT&NG	<ul style="list-style-type: none"> i) Provide support to MoFPED and the tax authority in carrying out public enlightenment campaigns on tax and revenue matters affecting the country.
8.	Uganda Revenue Authority (URA)	<ul style="list-style-type: none"> i) Collect taxes efficiently and effectively. ii) Treat the taxpayer as a customer. iii) Ensure efficient implementation of tax policies, laws and international treaties. iv) Facilitate inter-agency co-operation and exchange of information. v) Undertake timely audits and investigations. vi) Promote tax awareness and a taxpaying culture in Uganda. vii) Establish a robust process to detect and prevent tax evasion, tax avoidance, and corruption in tax administration.

		viii) Ensure Uganda to attain a top 50 position on the global index of ease of paying taxes by 2040 and consistently improve on the ranking beyond 2040.
9.	The Electoral Commission	i) Mandate all political candidates to publish in the media their tax returns and tax clearance certificates for at least the past five years to incentivize politicians to proactively participate in tax matters of the country. An effective mechanism for achieving high compliance is by leading by example.
10.	All Ministries, Departments and Agencies (MDAs)	i) Cooperate with the tax authority in administering and optimizing collection of tax and non-tax revenues. They shall provide and share all information that would assist in the accurate assessment and collection of the relevant taxes.
11.	Parliament	i) Translate tax policy recommendations into tax laws to give force to effective administration of taxes and revenue generation in the country.
12.	The Judiciary	i) Interpret tax laws and adjudicate on tax matters.
13.	Tax Payer	<p>i) Consider tax responsibilities as a civic obligation and constant duty that must be discharged as and when due.</p> <p>ii) The taxpayer shall be entitled to: (i) access to clear, free and accurate information and advice that will maximize their ability to comply with the tax laws; (ii) access to a clearly set out appeal process and redress mechanism in relation to any liabilities, or judgements against them, which they believe to be incorrect; (iii) self-representation or by any agent of choice, provided an agent shall be an accredited tax practitioner.</p>
14.	Tax Practitioners, Consultants and Agents	<p>i) Discharge duties with integrity and patriotism at all times and shall not be party to willful or negligent non-compliance with tax laws.</p> <p>ii) Partner with the tax authority and other stakeholders to enhance the effectiveness and efficiency of the tax system and ensure that they open and maintain effective communication lines with tax authority at all times.</p>

15	Media and Civil Society groups	<ul style="list-style-type: none"> i) Promote tax education and awareness. ii) Articulate, protect and advance taxpayer's rights. iii) Advance accountability and transparency in the utilization of tax revenue. iv) Ensure accurate, objective and balanced reporting in accordance with their professional code of conduct and ethics. v) Ensure that aspiring political office holders clearly understand the Tax Policy and the Ugandan tax system and are able to articulate their plans for the tax system to which they will be held accountable.
16	Private sector and Professional Bodies	<ul style="list-style-type: none"> i) Provide inputs in the review of tax policies and laws. ii) Sensitize their members and clients on tax policy and legislative changes.
17	Development Partners	<ul style="list-style-type: none"> i) Advise Government on best practices in tax policy and administration. In advising the Government, the Development Partners should collaborate to ensure that their advice is coherent, delivered at the right time, and appropriately sequenced.

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