

MISADVICE BY URA EMPLOYEES

Q Dear Commissioner,
I was misadvised by a URA call centre staff member and, as a result, registered my personal tax identification number (TIN) for taxes that did not apply to me and submitted an incorrect provisional return. Over the years, assessments, penalties and interests have accumulated, yet this situation arose from official guidance. What formal mechanism exists for taxpayers to rectify errors caused by URA staff, and can such liabilities be reviewed or cleared?

A Dear Reader,
Unfortunately, you have not given us details of why you needed a TIN, advice from our call centre staff and what led to submission of an incorrect provisional income tax return. Since you are dissatisfied with the assessments, you may object to them within 45 days from the date of notice of the assessment. Where the assessments have exceeded 45 days, you may apply for an extension of time to object. Upon approval of the application for extension of time to object, you can object to the assessments by following the steps below:

- Log into your TIN account on our URA web portal, www.ura.go.ug;
- Under e-services, select - Objections and Appeals;
- Select - Object to tax assessments with liability;
- Fill in the relevant information including the evidence to support your objection.

You may also be required to amend your registration details to reflect the correct income sources.

Personal TIN obligations

Q Dear Commissioner,
What legal and tax liabilities automatically arise when an individual obtains a tax identification number (TIN)?

A Dear Reader,
A TIN is a unique 10-digit number assigned to an individual, business or any other entity for tax purposes under all tax laws.

The obligations that arise depend on the reason as to why one obtained the TIN. For example:

- Where the TIN was acquired for employment purposes, the obligation to file Pay As You Earn (PAYE) returns is upon the employer who is required to indicate the employee's TIN in the return. Where an employee has more than one employer or derives a gain on disposal of a right or option to acquire shares under an employee share acquisition scheme, the employee will be required to file an income tax return at the end of the financial year to account for the income earned.
- For business purposes, if a TIN is issued to you, you're obliged to fulfil your tax obligations that include keeping proper business records, filing returns and promptly pay taxes, failure of which may result into administrative assessments.

In addition, an individual in business may be required to account for the following taxes:

- a) Income tax:** This is tax on profit generated by the business which may be accounted for under the individual tax rates.
- b) PAYE:** This is deducted at source from the salaries and allowances of employees. The employer will be required to account through a PAYE return and remit the taxes.
- c) VAT:** Where the individual deals in taxable supplies they may be required to register and account for VAT.



ASK URA COMMISSIONER GENERAL

Every Thursday, the Uganda Revenue Authority (URA) Commissioner General, John Musunguzi Rujoki, answers your questions.



SEND YOUR QUESTIONS TO

✉ AskCG@newvision.co.ug 📞 0703409710

Cost of digital tax stamps

Q Dear Commissioner,
Why is the cost of acquiring digital tax stamps so high and operationally inconvenient, yet the full financial and administrative burden is placed on taxpayers instead of being shared or subsidised?

A Dear Reader,
The stamp cost is relatively the same across the East African region. We have and will continue to work together with the vendor to make costs affordable.

Please note: these costs are claimable (recoverable) both in value-added tax (VAT) and income tax (can be claimed for VAT purposes and also declared as an expense for income tax purposes) and are not necessarily borne by the manufacturer.

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Uniform treatment of unequal businesses

Q Dear Commissioner,
Why are businesses – with vastly different production volumes, turnover, and capital base – subjected to the same digital stamp requirements and costs? Does this not disadvantage start-ups and small-scale manufacturers?

A Dear Reader,
It is true that businesses have varying production volumes, turnover and capital bases but they also pay tax rates according to the volumes produced, turnover and capital base. So, the stamp cost incurred will be in relation to the volumes you produce, your turnover and capital base.

Please note: one of the reasons tax stamps were introduced was to help create fair competition in the market. For a start-up or small-scale manufacturer to compete fairly in the market, they need to have the same standard and requirements as the big players. A consumer will not consider one's product genuine if it does not have a Uganda National Bureau Of Standards permit or a tax stamp. The tax stamp provides surety in the market.

Discrepancies in digital stamp quantities

Q Dear Commissioner,
Taxpayers observe that reels labelled as containing 6,000 or 30,000 digital stamps do not always translate into the same number of stamped bottles or cartons. Can URA explain where these shortages arise and confirm whether reels should provide the full number of stamps paid for?

A Dear Reader,
The reel always has the same number stamps as registered on the purchase document. You may prove this by counting each stamp used, whether damaged or good, to get confirmation of what was indicated in the purchase document. Most people may forget to consider the damaged and discarded stamps they used and only count the ones attached to the products. Others may not be able to have proper records and accountability for proper management of stamp usage.

For proper management of the stamps purchased, we may advise one to do the following:

- Keep record of the good and bad stamps;
- Secure the stamps in a good lockable place with controlled access;
- Share a report of the damaged stamps for verification by URA.

Protection from agent abuse

Q Dear Commissioner,
What safeguards does URA have to protect taxpayers from misinformation or exploitation by tax agents and unscrupulous officials?

A Dear Reader,
As a service-oriented organisation, URA is intentional on continuously improving the quality of service that it offers to its clients. We have put in place various solutions intended to provide a delightful experience to our clients.

We also have channels where you can contact us for service-oriented requests and these include: visiting the nearest URA office or through our email address, services@ura.go.ug, or toll-free numbers: 080017000 and 0800217000, or WhatsApp line: 0772140900, or through our website: touchpoint.ura.go.ug

Furthermore, taxpayers can report agents and staff misconduct via our toll-free number 0800257700 or through whistle-blowing via the URA web portal at www.ura.go.ug through which you submit a form.