

OVERALL AIM

To equip the learner with knowledge of Uganda’s tax system, covering principles of taxation and the impact of taxation as a vital source of public revenue in directing the national and regional economies’ fiscal performances.

LEARNING OUTCOMES

On completion of this course, the learner should be able to:

| | Learning outcomes | K | C | A | An | S | E |
|----|--|---|---|---|----|---|---|
| 1. | Explain the principles of taxation | | ✓ | | | | |
| 2. | Identify the principal types of taxation | ✓ | | | | | |
| 3. | Describe tax administration in Uganda | | | | | | |
| 4. | Explain Uganda’s taxation framework | | | | | | |
| 5. | Describe the features of the principal types of taxation relevant to an incorporated business | | ✓ | | | | |
| 6. | Describe the record-keeping, filing and tax payment requirements of an individual and an incorporated business | | ✓ | | | | |
| 7. | Determine the amount of tax owed by or owed to individuals and incorporated business | | | ✓ | | | |
| 8. | Identify aspects of international tax. | ✓ | | | | | |
| 9. | Distinguish between tax avoidance and tax evasion. | ✓ | | | | | |

LEVEL OF ASSESSMENT

The examination will test knowledge, comprehension and application of skills in the computation of different taxes, and develop an understanding of the legal framework of different taxes and administration.

EXAMINATIONS STRUCTURE

There will be a three hour examination comprising five questions of 25 marks each of which the candidate will be required to attempt any four questions.

DETAILED SYLLABUS



A INTRODUCTION TO PRINCIPLES OF TAXATION

1. Meaning of tax and taxation
2. General principles of taxation
3. Incidence of a tax and taxable capacity
4. Definition of trade, business, profession, vocation, test of trade
5. The overall function and purpose of taxation in a modern economy
6. Theories of taxation

B THE UGANDA TAX SYSTEM

1. Introduction to tax in Uganda
2. Constitutional provisions on taxation
3. The constitutional rights of taxpayers
4. The implications of constitutional provisions for tax laws and tax administration
5. The influences and confines which frame the Uganda tax system

6. The mandate, role, responsibilities and organisational structure of the Uganda Revenue Authority (URA)
7. The role and responsibilities of the Ministry of Finance, Planning and Economic Development
 - (a) The Minister
 - (b) Tax policy department
 - (c) National Planning Authority
8. The role of the Commissioner General of URA
9. The role of Parliament
10. Role of Regulatory bodies and associations
11. Uganda's tax base and any alternatives available
12. General principles of tax administration

C TAX LEGISLATION

1. Use of legislation
2. Primary legislation
3. Secondary legislation
4. Practice notes
5. Private rulings
6. Interpretation of statute law
7. Interpretation of residence and non-residence status
 - (a) Individual.
 - (b) Company.
 - (c) Trust.
 - (d) Partnership.
 - (e) Retirement fund.
8. Non resident.
9. Rates of tax
10. Taxation and the source of income rules

D TAX POLICY IN UGANDA

1. Tax incidence models
2. The structure of individual and corporate tax system
3. Corrective taxation
4. Effect of taxation on economic activities and income distribution
5. Designing a modern tax system

E INCOME TAX

1. General legal principles
2. The scope of income tax
3. Income from employment and self employment
4. Employee-employer relationship
5. Business income
6. Property and investment income
7. Rental tax
8. Exempt income and reliefs
9. Deemed income
10. Deductions from income
11. Computation of taxable income and income tax liability

F TAXATION OF PROFITS AND GAINS

1. Business organizations- Sole trade, partnerships and companies
2. Distinction between accounting and taxable profits
3. The badges of trade
4. Allowable and non-allowable expenses
5. The rules dealing with the relief of losses
6. The use of exemptions and reliefs in deferring and minimising company tax liabilities

7. Withholding tax

G MEASUREMENT OF THE PROGRESSIVITY OF INCOME TAXATION

1. Principles of progressive income tax
2. Methods for implementing a progressive income tax
3. Redistributive welfare effects
4. Measures of progressivity; Local and global

H CAPITAL GAINS

1. The scope and the taxation of capital gains
2. Rules of residence and capital gains
3. Determination of whether there was a disposal of asset
4. Consideration received and Cost base
5. Computation of capital gains or losses
6. Computation of the tax on capital gains
 - (a) Basic principles
 - (b) Capital gains on married or separated couple
 - (c) Capital gains on the sale of shares or business asset
 - (d) Capital gains arising from leases and other property transactions
 - (e) Capital gains implications of a taxpayer's death
7. Use of exemptions and reliefs in deferring and minimising tax liabilities arising on the disposal of capital assets
8. Non recognition of gain or loss

I INDIRECT TAXATION AND NON-TAX REVENUE

1. Stamp duty
2. Excise duty
3. Value added tax
 - (a) Administration of VAT:
 - (b) Returns; amended returns; returns that are filed separately

- (c) Powers and duties of the Commissioner General
 - (d) Rights and obligations of a registered taxpayer
 - (e) Refund procedures
 - (f) Objection and appeals, offences and penalties
4. Non-Tax Revenue
 5. Computation of Tax

J ASPECTS OF TAX PROCEDURES CODE

1. Record-keeping and record retention
2. The deadlines for reporting (filing returns) and tax payments
3. E-Filing
4. Types of powers of tax authorities to ensure compliance with tax rules:
 - (a) Power to review and query filed returns
 - (b) Power to request special reports or returns
 - (c) Power to examine records (generally extending back some years)
 - (d) Powers of entry and search.
5. Exchange of information with tax authorities in other jurisdictions
6. Tax penalties
7. Tax Assessment and collection
8. Objections/Appeal process
9. Tax refunds
10. Penalties for non-compliance
11. Tax avoidance and tax evasion
12. Small business taxpayers
13. Accounting treatment of taxation and disclosure requirements under IAS 12

K INTRODUCTION TO INTERNATIONAL TAXATION

1. Definition of international taxation
2. Tax heads that are applicable to international companies
3. The concept of corporate residence and the variation in rules for its determination across jurisdictions (e.g. place of incorporation versus place of management)
4. Means of establishing a taxable presence in another country (local company and branch)

L INTRODUCTION TO CUSTOM LAWS

1. Definition of key terms
2. Various customs procedure & documentation
3. An overview with the customs act
4. Tax administration issues
5. Understanding International Trade and Economic security measures
6. Inspection and management of economic borders
7. Prohibition and restrictions
8. Role of customs
9. Customs in the international context
10. Taxes collected by customs
11. General provisions
12. Computation of duty

M TAX EVASION AND TAX AVOIDANCE

1. The difference between tax evasion and tax avoidance
2. Spotting facilitation of tax evasion
3. Reasonable procedures:
 - (a) Meaning
 - (b) Checklist for reasonable procedures
4. Effects of tax evasion
5. Mitigation of tax evasion and tax avoidance

REFERENCES

1. ICPAU, Taxation, Kampala
2. Government of Uganda, by Uganda Printing and Publishing Corporation:
 - (a) Income Tax Act, Cap 340
 - (b) Value Added Tax Act, Cap 349
 - (c) Excise Duty Act, 2018
 - (d) East African Customs Management Act
 - (e) The Tax Procedures Code Act
3. Joseph O. Okuja (2022), Domestic & International Taxation in Uganda, Kampala Uganda.