

ACTS SUPPLEMENT

to The Uganda Gazette No. 58 Volume CI dated 21st November, 2008.

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

Act 22 *Value Added Tax (Amendment) (No. 2) Act* **2008**

THE VALUE ADDED TAX (AMENDMENT) (NO. 2) ACT, 2008.

ARRANGEMENT OF SECTIONS

Section.

1. Commencement.
2. Amendment of section 65 of principal Act.
3. Insertion of new sections 68A, 68B and 68C in principal Act.
4. Amendment of First Schedule to principal Act.
5. Amendment of Second Schedule to principal Act.
6. Amendment of Third Schedule to principal Act

THE VALUE ADDED TAX (AMENDMENT) (NO. 2) ACT, 2008

An Act to amend the Value Added Tax Act Cap. 349 to provide a penalty where a taxpayer claims a refund in excess of what is due or claims returns, submits or declares a wrong, false or incorrect offset claim in a return; to provide for use of information technology in tax formalities and procedures; to amend the First Schedule by adding new institutions; to amend the Second Schedule relating to exempt supplies to add the supply of salt and the supply of motor vehicles for transport of goods of 3.5 tonnes and above to the list of exempt supplies; to amend the Third Schedule to add to the zero rated supplies the supply of leased aircraft, aircraft engines, spare engines, spare parts for aircraft and aircraft maintenance equipment; and for other related matters.

DATE OF ASSENT: 18th October, 2008.

Date of Commencement: 1st July, 2008.

BE IT ENACTED by Parliament as follows:

1. Commencement.

This Act shall be deemed to have come into force on 1st July 2008.

2. Amendment of section 65.

Section 65 of the Value Added Tax Act, in this Act referred to as the principal Act, is amended by substituting for subsection (6) the following—

“(6) Where a person knowingly or recklessly—

- (a) makes a statement or declaration to an official of the Uganda Revenue Authority that is false or misleading in a material particular; or
- (b) omits from a statement made to an official of the Uganda Revenue Authority any matter or thing without which the statement is misleading in a material particular, and
 - (i) the tax properly payable by the person exceeds the tax that was assessed as payable based on the false or misleading information;
 - (ii) the amount of the refund claimed was false; or
 - (iii) the person submitted a return with an incorrect offset claim,
that person is liable to pay penal tax equal to double the amount of the excess tax, refund or claim.”

3. Insertion of new sections 68A, 68B and 68C in principal Act.

The principal Act is amended by inserting immediately after section 68 the following—

“68A Use of information technology

(1) Subject to such conditions as the Commissioner General shall prescribe, tax formalities or procedures may be carried out by the use of information technology.

(2) A person who wishes to be registered as a user of a tax computerised system may apply in writing to the Commissioner General and the Commissioner General may—

- (a) grant the application subject to such conditions as he or she may impose;
- (b) reject the application.

68B. Cancellation of registration

The Commissioner General may at any time cancel the registration of the user where he or she is satisfied that a person who is a user of a tax computerised system—

- (a) has failed to comply with a condition of registration imposed by the Commissioner General under section 69A (1);
- (b) has failed to comply with or has acted in contravention of any condition under the regulations; or
- (c) has been convicted of an offence under this Act relating to improper access to or interference with a tax computerised system.

68C. Offences

(1) A person commits an offence where he or she—

- (a) knowingly and without lawful authority by any means gains access to or attempts to gain access to any tax computerised system;
- (b) having lawful access to any tax computerised system, knowingly uses or discloses information obtained from the computer system for a purpose that is not authorised; or
- (c) knowing that he or she is not authorised to do so receives information obtained from any tax computerised system and uses, discloses, publishes or otherwise disseminates such information.

(2) A person who commits an offence under subsection (1) is liable on conviction—

- (a) in the case of an individual, to imprisonment not exceeding two years or a fine not exceeding five hundred thousand shillings or both ; or
- (b) in the case of a body corporate, to a fine not exceeding two million five hundred thousand shillings.

(3) A person commits an offence where he or she knowingly—

- (a) falsifies any record or information stored in any tax computerised system;
- (b) damages or impairs any tax computerised system; or
- (c) damages or impairs any duplicate tape or disc or other medium on which any information obtained from the a tax computerised system is held or stored otherwise than with the permission of the Commissioner General,

and is liable on conviction to imprisonment not exceeding three years or a fine not exceeding one million shillings or both.

4. Amendment of First Schedule to the principal Act.

The First Schedule to the principal Act is amended—

- (a) by repealing the reference to the Organisation of African Unity (OAU) and replacing it with a reference to the African Union in the appropriate alphabetical order;
- (b) by inserting in the appropriate alphabetical order the following institutions—
 - “(i) Belgian Technical Cooperation (BTC);
 - (ii) IGAD Regional HIV and AIDS Partnership Programme (IRAPP);
 - (iii) International Criminal Court (ICC).”

5. Amendment of Second Schedule to the principal Act.

(1) Paragraph 1 of the Second Schedule to the principal Act is amended—

- (a) by substituting respectively, for items (o), (v) and (aa) the following—

“(o) the supply of petroleum fuels subject to excise duty (motor spirit, kerosene and gas oil), spirit type jet fuel, kerosene type jet fuel and residual oils for use in thermal power generation to the national grid;”

“(v) the supply of computers, desk top printers, parts and accessories falling under Headings 8471, 8473 and H.S. Code 8443.32.00 of the harmonised coding system;

“(aa) the supply of specialised vehicles, plant and machinery, feasibility studies, engineering designs and consultancy services and civil works related to hydro-electric power, roads and bridges’ construction and public water works.”

(b) by inserting immediately after item (dd) the following—

“(dd) the supply of any goods and services to the contractors and sub contractors of hydro-electric power projects;”

(c) by inserting immediately after item (ee) the following—

“(ff) the supply of salt;

(gg) the supply of motor vehicles or trailers of a carrying capacity of 3.5 tonnes or more designed for the transport of goods.”

6. Amendment of Third Schedule to the principal Act

Paragraph 1 of the Third Schedule to the principal Act is amended by inserting immediately after item (j) the following—

“(k) the supply of leased aircraft, aircraft engines, spare engines, spare parts for aircraft and aircraft maintenance equipment.”