

## **Uganda National Chamber of Commerce and Industry calls for the Extension of Tax Waiver Deadline.**

**22<sup>nd</sup> December 2023**

As the Uganda National Chamber of Commerce and Industry, we welcome the opportunity provided by Government of Uganda under **Section 40D of the Tax Procedures Act** for taxpayers to have their interest and penalty fees waived upon settling their outstanding principal tax by 31st December 2023. However, we express our deep concern regarding the implementation challenges currently faced by taxpayers in availing themselves of this opportunity.

1. **Delayed Visibility of Section 40D Impact:** The Uganda Revenue Authority (URA) only made the ledger impact of Section 40D visible to taxpayers from November 2023. This delay has placed a significant burden on taxpayers, given that ledger reconciliation requires an examination of tax liabilities and payments dating as far back as 2009.
2. **Issues with Ledger Accuracy:** We have observed discrepancies in the ledgers presented by URA, including misallocated payments, posting of transactions unrelated to affected taxpayers, and indications of unutilized funds. Despite these anomalies, demands for unpaid tax persist, resulting in inaccuracies in the calculated tax payable.
3. **Uncertain Tax Liability:** The uncertainty surrounding the actual tax payable poses a significant challenge. Ascertainment of the interest and penalties eligible for waiver becomes an impossible task when the fundamental information needed for accurate calculations is not readily available. This uncertainty is further exacerbated by the impending deadline of 31st December 2023 for the waiver.

In light of these challenges, we urgently request the Ministry of Finance to consider extending the deadline for the tax waiver until such time that the ledgers are fully adjusted by URA. This extension is crucial to ensure that taxpayers can fully benefit from the intended relief without the undue pressure of an impending deadline.

We appreciate the efforts made by the government to provide relief to taxpayers through Section 40D. However, for this initiative to achieve its intended purpose, it is imperative that the implementation process is transparent, accurate, and fair to all concerned parties.

The Uganda National Chamber of Commerce remains committed to working collaboratively with relevant authorities to address these concerns and ensure a smooth and equitable process for all taxpayers.

For media inquiries, please contact us at [info@chamberuganda.go.ug](mailto:info@chamberuganda.go.ug) or visit our offices at Plot 21, Tufnell Drive Kamwokya.