



# QUICK FACTS ABOUT THE WAIVER OF INTEREST AND PENALTY UPON PAYMENT OF PRINCIPAL TAX

## Frequently Asked Questions (FAQs)

**Q: What does Section 47A of the Tax Procedures Code Act provide?**

**A:** This section provides for a waiver on interest and penalties for taxpayers who have outstanding balances as at 30<sup>th</sup> June, 2023 and settle their principal tax liability by 31<sup>st</sup> December, 2024. This means that taxpayers who pay their outstanding tax shall have the interest and penalties removed. Where a taxpayer pays a portion of the principal outstanding tax as at June 30<sup>th</sup> 2023 by December 31<sup>st</sup>, 2024, the portion of interest and penalties waived shall be proportionate to the principal tax paid.

**Q: Is Section 47A different from Sec. 40D of the TPC Act?**

**A:** Section 47 A is an extension of the previous Section 40D of the TPC Act whose deadline was 31<sup>st</sup> December, 2023. It means that the period in which taxpayers have to pay has been extended to 31<sup>st</sup> December 2024. This incentive is to encourage taxpayers to clear their outstanding balances without the pressure of interest and penalties.

**Q: Who then qualifies for the Waiver of Interest and Penalty?**

**A:** Taxpayers who have tax liabilities as at 30<sup>th</sup>

June, 2023 and have made/make payments of their outstanding principle tax between 01<sup>st</sup> July 2023 to 31<sup>st</sup> December 2024. This means that the waiver does not consider periods after 30<sup>th</sup> June 2023.

**Q: What taxes are covered by this waiver?**

**A:** The waiver applies to all domestic taxes namely income tax, Value Added Tax (VAT), local excise duty, rental tax, Pay as You Earn (PAYE), and gaming tax among others. Customs taxes are however not covered by this provision.

**Q: How can I check for my outstanding balance?**

- A:** To check for the outstanding balance;
- Log into your URA account on the URA portal <https://ura.go.ug> using your Tax Identification Number (TIN) and password.
  - Click on "Reports", click on "Tax statement" and "Submit" to view the outstanding tax, including principle tax, penalties and interest per tax type.

**Q: How do I register a payment for the outstanding principal tax?**

**A:** To register a payment for the outstanding

principal tax;

- Log into your URA account on the URA portal, <https://ura.go.ug> using your TIN and password.
- Select "Payment" under "e-Services"
- Select DT as a "Payment Type"
  - For periods before July 2021, select "Period before July 2021" then "Tax Head" and select "Pay Fully"
  - For periods after July 2021, click "Account Payment", select "Tax Type", "Fetch Outstanding", then click on "Show Period-wise Break up" to view the principle tax per period.

**Q: What should I do if I notice any variance in their ledger?**

**A:** Please contact URA immediately for assistance in reconciling any inconsistencies in order to benefit from the waiver.

**Q: Does the Waiver of Interest and Penalty require application?**

**A:** There is no application required.

**Q: Does the Waiver of Interest and Penalty have a payment deadline?**

**A:** Yes. The waiver has a deadline for payment of the outstanding principle tax i.e, 31<sup>st</sup> December, 2024. Therefore, all taxpayers who qualify for the waiver of Interest and Penalty should pay their outstanding principal tax by 31<sup>st</sup> December 2024 to benefit from the waiver.

**Q: How do I get my Interest and Penalties waived?**

**A:** As soon as you pay your principal tax outstanding as at June 30<sup>th</sup> 2023, the interest and penalties relating to the principal tax paid shall be waived off.

**Q: What happens if I can not clear all the tax liability due to URA as at 30th. June, 2023?**

**A:** Where you cannot clear all the outstanding tax, pay a portion of the principal tax outstanding as at June 30<sup>th</sup> 2023, and the portion of interest and penalties waived will be proportional to the principal tax paid.

**For example:**

John has a tax liability of Ug.shs. 3,000,000 as at 30<sup>th</sup> June 2023 where the Principal Tax is UGX 2,000,000, and the interest and penalties are UGX 1,000,000. If John pays 50% of the Principal Tax (UGX 1,000,000) on 20<sup>th</sup> November, 2024, the interest and penalties relating to the principle tax paid ie (50%X1,000,000). This implies that UGX 500,000 will be waived.

**Q: If I paid my outstanding tax with penalties and interest in March, 2024, do I still qualify for the waiver of interest and penalty already paid?**

**A:** Yes. Any taxpayer with a tax liability as at 30<sup>th</sup> June, 2023 and makes payment between July 01<sup>st</sup> 2023 to December 31<sup>st</sup> 2024 towards their outstanding principal tax qualifies for the waiver to the extent of the principal tax paid.

This means that the amount of the penalties and interest already paid will become your tax credit on your ledger and used to offset all your tax liabilities. In case the amount exceeds 10 million shillings, and there is no pending liability, you can apply for a refund.

**Q: In case I filed NIL or offset returns late and penalties were issued for the period in question, do I also qualify for the waiver?**

**A:** Yes. The penalties will be waived. The move is done to encourage taxpayers to file their returns and reduce on the tax burden.

**Q: Do I qualify for the waiver if liabilities relate to the period up to 30th June, 2023 but were created after the period or are being created now?**

**A:** Yes. Any penalties and interest relating to tax liabilities as at 30<sup>th</sup> June, 2023 shall be waived as long as the outstanding principal tax is paid between July 01<sup>st</sup> 2023 to December 31<sup>st</sup> 2024.

**Q: Why weren't my penalties and interest waived yet I paid my principal tax for the month of June 2023?**

**A:** The penalties and interest against the



principal tax of the month of June 2023 do not qualify for this waiver because the penalties and interest under consideration are those as at 30<sup>th</sup> June, 2023.

**Q: Does the waiver apply to interest and penalties that accrued after 30th June 2023?**

**A:** No, the waiver does not apply to any interest and penalties accrued after 30<sup>th</sup> June 2023. Taxpayers are advised to pay their outstanding principal tax as soon as possible to avoid further accumulation of interest and penalties.

**Q: Do returns whose due date falls after 30th June, 2023 qualify for the waiver?**

**A:** No, tax returns whose due date falls after 30<sup>th</sup> June, 2023 do not qualify for the waiver, even when submitted by 30<sup>th</sup> June, 2023. This is because accumulation of interest and penalties starts after the return due date.

**For example:**

1. The monthly returns for June 2023 e.g PAYE is due on 15<sup>th</sup> July 2023 and accumulation of interest and penalties is after 15<sup>th</sup> July 2023. By 30<sup>th</sup> June 2023, there is no interest and penalties against principal tax for the month of June 2023.
2. The annual final income tax return for those with a substituted year of income, running between January 2022 - December 2022 is due by 30<sup>th</sup> June 2023. Accumulation of interest and penalties against the principle tax start on 1<sup>st</sup> July 2023 meaning that by 30<sup>th</sup> June 2023, there is no interest and penalties against the principal tax, hence no need for a waiver.
3. The annual final income tax return for the

year of income July 2022- June 2023 is due by 31<sup>st</sup> December 2023. By 30<sup>th</sup> June 2023, there is no interest and penalties against the principal tax. Accumulation of interest and penalties against the principle tax starts on 1<sup>st</sup> Jan 2024. Hence no need for a waiver.

**Q: Do liabilities as at 30th June 2023, but whose returns are submitted after 30th June 2023 qualify for the waiver?**

**A:** Yes, liabilities as at 30<sup>th</sup> June 2023 qualify for the waiver, even when the return is submitted after 30<sup>th</sup> June 2023. Please note however, that the waiver does not apply to any interest and penalties accrued after June 30<sup>th</sup> 2023.

**Q: Are there any penalties and waivers not covered by the waiver?**

**A:** Yes. The waiver does not cover penalties and interest not directly related to the principle tax. Specifically, the following are excluded from the waiver:

- Penal tax for failure to provide information.
- Penal tax related to digital tax
- Penal tax related to non-compliance with EFRIS.
- Penal tax for failing to apply for tax registration.
- Penalty and interest related to principal tax for the period 01<sup>st</sup> July 2023 onwards.
- Any court-imposed penalties and interest.

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Uganda Revenue Authority  
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# Penalties and interest don't have to be your ledger's best friend no more.

Pay any outstanding principal tax as at 30<sup>th</sup> June 2023 and have all your penalties and interest waived.

**Deadline: 31<sup>st</sup> December 2024**



Toll Free Line:  
**0800-117000, 0800-217000**



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