

**REVENUE PERFORMANCE PRESS BRIEF REPORT**

**FOR JULY-MARCH FY 2021/22**

**10th MAY 2022**

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**INTRODUCTION**

Good morning members of the media, I take this opportunity to welcome you to this press conference.

We have only two months to close this FY 2021-22. As a tax administration, we still recognize that because of the impact of COVID 19, businesses have not fully picked and for this we want to commend all taxpayers for your consistent fulfilment of your tax obligations so far. It is because of you that the Government has been able to provide the much-needed social services.

We are also doing all we can within our means to support businesses to remain afloat so that they are able to contribute revenue.

In today’s press conference, we will focus on the revenue performance for the last nine months of this financial year - July to March 2022 and the administrative and policy measures that have enabled us mobilise the revenue so far collected.

**REVENUE PERFORMANCE FOR JULY-MARCH 2022**

In the first nine months of the FY 2020/21, URA had a target of collecting UGX 16,532.43 billion, representing 73.93% of the annual target of UGX 22,363.51 billion.

**PERFORMANCE OVERVIEW**

**1.1 Overall performance**

During the period July to March, the actual net revenue collections were UGX 15,466.68 billion representing 69.16% of the annual target. A significant growth in revenue of UGX 1,490.41 billion (10.66%) was registered in July to March FY 2021/22 compared to the same period in the FY 2020/21.

However, the outturn for the period was short of the target of UGX 16,532.43 billion by UGX 1,065.75 billion.

It should be noted that the net collections have consistently increased in absolute terms over the five-year period as shown in figure 1.

Figure 1: Trend analysis of net revenue performance for July to March

We have also seen a turnaround in March. Net revenue collection in March 2022 was UGX 1,833.07billion against the official target of UGX 1,823.25 billion, with a surplus of UGX 9.82billion and performance rate of 100.5%. We are seeing the same trend in April and are optimistic that we shall end the year strong.

**1.2 DOMESTIC TAXES PERFORMANCE**

The Domestic revenue collections in the first nine months of the FY 2021/22 were UGX 9,484.62 billion against a target of UGX 10,670.32 billion, registering a growth of UGX 816.22 billion (9.42%) as compared to the same period last FY 2020/21.However, the collections were below the target by UGX 1,185.70 billion (UGX1.2Trillion).

**1.21 Direct Domestic Taxes performance**

The direct domestic tax collections were UGX 4,907.64 billion. The direct tax collections grew by UGX 273.94 billion (5.91%), compared to the same period in the last FY 2020/21.

Major surpluses were registered in PAYE (UGX 248.65 billion) and casino tax (UGX 14.70 billion). Shortfalls were mainly incurred in corporate tax (UGX 200.81 billion), withholding (UGX 142.35 billion), rental tax (UGX 120.29 billion), and treasury bills (UGX 45.14 billion) majorly due to COVID 19 restrictions that led to supply chain disruptions, low aggregate demand in the economy and thus reduced profitability.

**1.22 Indirect Domestic Taxes Performance**

The Indirect tax collections for the period July to March were UGX 3,602.86 billion. A growth of UGX 341.90 billion (10.48%) was realized compared to the same period in the FY 2020/21.

VAT collections were UGX 2,394.10 billion. We witnessed under performance in the Construction sector by UGX 74.83 billion, Beer (UGX 49.39 billion), spirits/waragi (UGX 48.38 billion), soft drinks (UGX 43.72 billion) and Real Estate activities (UGX 43.13 billion). However, we registered a surplus in Phone talk time at UGX 43.63 billion.

The Local Excise Duty (LED) collections were UGX 1,208.77 billion. We witnessed shortfalls in beer by UGX 50.59 billion, spirits (UGX 52.11 billion) and internet data (UGX 35.54 billion). We registered surpluses in levy on mobile money withdrawals by (UGX 29.79 billion), mobile money transfers (UGX 8.21 billion) and sugar (UGX 7.48 billion).

**1.23 Performance of Non-Tax Revenue**

The Non-Tax Revenue collections were UGX 974.11 billion against a target of UGX 1,141.25 billion, posting a shortfall of UGX 167.13 billion.

**1.3 International trade tax collections**

International trade tax collections for the period July to March 2022 were UGX 6,255.93billion against a target of UGX 6,191.44 billion, posting a surplus of UGX 64.49 billion. Customs tax collections grew by UGX 686.82 billion (12.33%).

The performance was mainly attributed to growth in vatable goods by 13.78% and an increase in fuel volumes by 1.05% (17.49 million litres) compared to July to March 2021. This was due to the increase in petrol imports by 0.5% (3.89 million litres), jet fuel by 53.80% (31.73 million litres), and Kerosene by 33.20% (10.53 million litres).

**1.4 Sectoral contribution to revenue**

During the period July to March FY 2021/22, these top 5 sectors they generated 74.48% of the total revenue as follows.

1. Wholesale and retail - the highest contributor with 29.25 % (UGX 4,604.72 billion
2. Manufacturing – second highest contributor with 23.45% (UGX 3,690.68 billion,
3. Financial activities – third contributor with 9.90% (UGX 1,557.68 billion.
4. Information & communication – fourth contributor with 7.83% (UGX 1,233.11billion
5. Public administration and defense - fifth with 4.05% (UGX 637.32 billion.

Majority of the sectors recorded growth throughout the nine months, however, significant declines in revenue were registered in some sectors. Revenue from electricity, gas declined by 25.77%; Construction declined by 10.32%, while a decline of 3.20% was registered under Real estate activities. The decline is attributed to slow recovery of businesses from COVID19.

**2. Compliance enhancement interventions**

During the first three quarters of the FY 2021/22, URA intensified administration measures to influence taxpayer compliance behavior, widen the tax base to support revenue collections. The key initiatives implemented in the period include:

1. Expansion of the taxpayer register
2. Arrears Management
3. Customs Enforcement
4. Tax Investigation compliance initiatives
5. Prosecution and Civil Litigation
6. Debt Collection Unit
7. EFRIS and DTS

**A detailed brief about these initiatives will be shared with you at the end of this engagement.**

**Conclusion**

As we race towards the end of this financial year in June 2022, we have to collect UGX5.9 Trillion and we are optimistic that we shall meet this target. I call upon all Ugandans to collaborate with us on this journey of mobilizing enough revenue to develop Uganda together. I would also like to thank the media for the continued support towards domestic revenue mobilization. Thank you for listening to me and may God bless you all.

For God and my country

**John R. Musinguzi**

**Commissioner General - Uganda Revenue Authority**