**Who is a construction professional?**

A construction professional is an individual who renders professional services within the construction sector or construction project. They are tasked performing or furnishing the design, supervision, inspection, construction, or observation of the construction of any improvement to real property or project finalization. These an architect, engineer contractor, subcontractor, developer

**Where do construction professional get licenses?**

Construction professional get their licenses from relevant statutory authority which include

* Ministry of lands, housing and urban development
* National Construction Authority (NCA)

They also obtain licenses from other professional regulators like

* Architects Regulation board
* Uganda engineering registration board

**What do I need to register for taxes?**

Click here for details on requirements for registration

How do I register for taxes?

- You’re required to visit the URA portal on www.ura.go.ug

- Click here to register as an individual

- Click here to register as a non-individual

In case you cannot register online, visit the nearest URA office for assistance or call the toll-free line 0800117000/0800217000 or WhatsApp: 077214000

**How do I pay taxes to URA?**

After filing a return, you’re required to pay taxes due using available payment platforms e.g. banks, mobile money, VISA, Mastercard etc.

Please note: the due date for payment of tax is the same as that of return filing.

Click here to register a payment

**What taxes are applicable to construction professionals?**

**Individual income tax**

The income tax rate for individuals depends on the income bracket in which the individual falls.

**Rate of tax for Resident individuals**

|  |  |
| --- | --- |
| **ANNUAL CHARGEABLE INCOME (CY**) **IN UGX** | **RATE OF TAX** |
| 0 to 2,820,000 | Nil |
| 2,820,000 to 4,020,000 | (CY – 2,820,000UGX) x 10% |
| 4,020,000 to 4,920,000 | (CY – 4,020,000UGX) x 20% + 120,000UGX |
| 4,920,000 to 120,000,000 | (CY – 4,920,000UGX) x 30% + 300,000UGX |
| Above 120,000,000 | [(CY – 4,920,000UGX) x 30% + 300,000UGX] + [(CY – 120,000,000UGX) x 10%] |

**Pay As You Earn (PAYE)**

Any professional who is employed under a within the construction sector company is liable to and required to register for Pay as You Earn (PAYE), this is withheld by their employer and remitted tax to URA.

Click here for the PAYE rates

**Withholding tax**

Withholding tax (WHT) is income tax that is withheld at source by one person (withholding agent) upon making payment to another person. The rate is 6% withheld and remitted to URA

**Please note**

The tax withheld is credited/ reduced on the tax payable in the final income tax return.

Click here for information on Withholding tax.

**What tax incentives are available for construction professionals**

|  |  |  |  |
| --- | --- | --- | --- |
| **INCOME TAX** | | | |
| **Beneficiary** | **Incentives** | **Period of Incentive** | **Conditions for the Tax Incentive** |
| 1. Developer of an industrial park/ free zone | Exemption of income derived from renting out or leasing facilities established  in an industrial park or free zone. | 10 years | Must invest a minimum of USD 50m for foreign investors or USD 10m for EAC citizens, Incentive  takes effect from the date of commencement of construction. Also applies to an existing investor making an additional investment of the same value. |
| 10. Non- profit-making Organizations | Income tax exemption | Indefinite | Where the Commissioner has issued a written ruling stating that it is exempt |
| 11. Compliant taxpayers | 6% WHT exemption on payment for goods and services and professional fees | 12 months renewable | Where the Commissioner is satisfied that the taxpayer has regularly complied with the obligations under the tax laws |
| 12. All taxpayers | 100% deduction of Scientific  research expenditure | Indefinite | A person who in-curs expenditure for scientific research |
| Contractors executing aid- funded projects | Deemed VAT: Tax payable on a taxable supply  made by a supplier to a contractor executing an aid- funded project is deemed to have been paid by the contractor  provided the supply is for use by the contractor solely and exclusively for the aid funded project. | Duration  of the project | Contractors executing aid- funded projects |
| Loan applicants | NIL stamp duty on an agreement relating to the deposit of title-deeds, pawn pledge-of the total value. | Indefinite | Agreement relating to the deposit of title-deeds, pawn pledge-of the total value. |
| Loan applicants | NIL stamp duty on security bond or mortgage deed. | Indefinite | Security bond or mortgage deed executed by way of security for the due execution of an office, or to account  for money or other property received by virtue of security bond or mortgage deed executed by a surety to secure a loan or credit facility- of entry value. |