**10 QUICK FACTS ON TIN REQUIREMENT FOR LAND TRANSACTIONS ABOVE 10 MILLION**

1. **What is stamp duty on land?**

Stamp duty is fees paid to Government to authenticate documents and make them legally binding in courts of law. Generally, duty is payable on every document that confers any right or liability upon being created, transferred, limited, extended, extinguished or recorded documents on which stamp duty is paid are referred to as instruments and they are listed in Schedule 2 of the Stamp Duty Act as amended. Without stamp duty, such documents are not admissible in court i.e. cannot be provided as evidence. Stamp duty on land is paid at the point of transfer of the said land basing on the value given by the Chief Government Valuer

1. **Who is required to pay stamp duty on land and does it apply to all land tenure systems such as mailo, freehold and leasehold?**

In case of land, stamp duty is paid in the names of the buyer of the land and in case of leasing, it is paid in the names of the person land is leased to. Yes. This applies to all land tenure systems. and block numbers) should match what is on the forms.

The officer confirms that the date on the consent form signed by the Chief Government Valuer doesn’t go beyond 6 months from the time the taxpayer delivers the declaration for the PRN.

1. **How much stamp duty is paid on land?**

Currently stamp duty is paid at a rate of 1.5% of the total value of land as determined by the Chief Government Valuer. This value may not necessarily be the purchase value since the value of land keeps fluctuating. The Government Valuer periodically does research to determine the new land values in different locations

1. **What is the process of declaring the instrument/document for stamp duty?**

* Taxpayer declares the total value of the land on the URA portal www.ura. go.ug
* Taxpayer then takes the declaration and consent form to the Chief Government Valuer in the Ministry of Lands, Housing and Urban Development
* The Chief Government Valuer values the land, signs the consent form and posts the amount to URA E-tax.
* The taxpayer obtains a Payment Registration Form with a Payment Registration Number (PRN) from a URA officer by presenting the declaration form, the transfer form and the signed consent form.
* Prior to generating the PRN, the URA officer checks the amount on the consent form to match it with the one in the system. The information in the system (e.g. the buyer and seller’s names, plot and block numbers) should match what is on the forms.
* The officer confirms that the date on the consent form signed by the Chief Government Valuer doesn’t go beyond 6 months from the time the taxpayer delivers the declaration for the PRN

1. **What do I require to transfer land?**

When transferring land you are, among others, required to submit a signed consent form, passport photos of the seller and buyer, national ID, mutation form – in case of subdivision and a payment registration slip dully paid.

1. What has URA introduced in relation to land transactions?

Effective 6th December 2021, URA made it a requirement for buyers and sellers of land where the value of such land is UGX 10 million and above to have Taxpayer Identification Numbers (TINs). If the land transaction involves a Company, its mandatory to have a TIN even if the amount is below UGX 10 million

1. **Why is URA looking at transactions of 10 million?**

URA continues to explore reforms to attract more qualifying citizens to contribute towards national revenue mobilization for improved service delivery. This measure is therefore intended to register all potential taxpayers and ensure that URA has visibility in land transactions to grow the tax base.

This DOES NOT mean that URA is going to tax income earned from land transactions but rather know those involved in land transactions. If one is involved in the business of buying and selling land and the income earned is chargeable to tax, the person will be required to register for income tax and to declare and pay income tax on the profit earned from the business of buying and selling land

1. **What should I do in case I have no TIN but I need to perform a land transaction?**

Persons without TINs, and are intending to transact in land, are advised to apply for a TIN on the URA Web portal; www. ura.go.ug or visit the nearest URA Domestic Taxes office with a copy of their National Identification Card for assistance. You can also take advantage of our online services and toll free helpline 0800117000/0800217000. Please note that a TIN is issued at no cost.

1. **Does it mean that if I acquire or sell land with a value of 10 million URA will charge me tax?**

Ordinarily, the only tax paid on land transactions is stamp duty on the value of land upon being transferred. However, in certain circumstances, other taxes such as income tax and value added tax may be applicable. For example, where one sells land held as a business asset the income earned from the sale is subject to income tax. Where one sells improved land or commercial premises with a value above the VAT threshold of UGX 150 million, the transaction will attract value added tax.

1. **If I acquire my land from a deceased person through hereditary means and I need to transfer it to my names, does this new requirement apply to me?**

As a buyer, you will be required to have a TIN so does the seller. The person selling on behalf of the deceased person becomes the seller and therefore such a person will be required to have a TIN.

**DISCLAIMER**: This Information is strictly for purposes of guidance to our clientele and is subject to change on amendment of tax legislations & any other regulations that govern tax administration