# HOW TO GET A TAX CLEARANCE CERTIFICATE

 **Service Description**

This is a process initiated by the client to the URA commissioner, to be certified as being compliant with their tax obligation with URA. The client receives a tax certificate from URA confirming that a person’s tax affairs are in order at the date of issue of the Certificate.

 What is a Tax Clearance Certificate (TCC)?

 It is tool used to compel non-compliant taxpayers to comply with provisions of regis­tration, filing of returns and payment of taxes. A TCC certifies to a third party that the stated taxpayer is compliant i.e. has fulfilled their obligation of paying taxes.

**Laws Applicable**

Section 134 of the Income Tax Act Cap 340 provides that any person who requires a Tax Clearance Certificate shall apply to the Commissioner for the certificate as proof of tax compliance.

Persons (tax payers) who require TCCs include those:

* Providing passenger transport services
* Providing freight transport service where the goods vehicle used has a load capacity of more than 2 tons
* Providing ware housing or clearing and forwarding services
* Supplying goods or services to the Government or
* Transferring funds in excess of 2,500 currency points from Uganda to a place outside Uganda
* Who may wish to obtain certificates as evidence of their tax compliance

**Types of Tax clearance Certificate**

**Annual Tax Clearance Certificate;**

This is issued once a year to clients who have complied with all their tax obligations. This certificate may be issued to only clients whose compliance has been monitored for at least three (3) years.

**Transactional Tax Clearance Certificate;**

This is issued to a client upon application if the station head is satisfied that the client is complying with their obligations. It must be addressed to the entity for which the facility was applied for; and once submitted by the client to the third party, the transactional tax clearance expires.

**Please Note**:

 A Tax Clearance Certificate is required in cases where a client is;

* Providing transport services for passengers and goods
* Tendering process with the Government
* Transferring funds abroad in excess of 50million Uganda Shillings.

**Why would you need a Tax clearance Certificate?**

1. An application of a tax clearance certificate will enable the you reduce on your tax burden since one is prompted to clear up any tax obligation in the course on the year to obtain the certificate.
2. A Tax Clearance Certificate facilitates easy acquisition of work permits for persons looking forward to work in foreign countries.
3. It also facilities re-export and import certain restricted goods such as tyres, sugar, etc.”

**Cautions**

1. Cancellation of a Tax clearance certificate can be done on request by the client to their office of jurisdiction.
2. Persons who have not operated for more than three year may not qualify for an annual tax clearance certificate.
3. The tax clearance certificate will be addressed to the address provided by the client.
4. When applying for a TCC, the addressee’s correct accounting date should be quoted.

**ONLINE TCC APPLICATION**

**Cost for the service**

Free of charge

**Where to get the service**

<https://ura.go.ug> and All URA service offices

**Expected Delivery Time**

We aim to notify the taxpayer about their application status**2 working days** after receiving all the necessary information.

**Please Note**:

Applications that are submitted during the weekend or after official working hours will be approved the following day during working hours.

**Requirements for a person to be given a TCC**

1. The registration profile of the tax payer should be up to date
2. The tax payer should have submitted all the returns for the registered tax types
3. For Non-Individuals, the associated persons (directors or partners) MUST have submitted all their returns
4. The submitted returns MUST be satisfactory
5. All taxes due to must have been paid by the tax payer or there is a Memorandum of Understanding to pay in installments

**Process of Application for TCC**

* 1. Visit the URA web portal <https://ura.go.ug>, and login to your account
	2. Under e-services, click on Tax Clearance Certificate
	3. In the new tab that appears, select the type of TCC, either Annual or Transactional TCC

If the application is for an ***annual TCC***, capture the tax period for which clearance is required.

If the application is for a ***transaction TCC***, you will be required to provide the following details;

* + 1. Addressee details including the TIN, name, business name, contact number and email address
		2. Purpose for which the TCC is required
		3. Tax period to which the TCC relates (cannot be a past period)
	1. Click submit button after completing all the mandatory fields
	2. Upon submission, an acknowledgement receipt shall be generated to print a copy, and an email notification with the same details sent to your registered email
	3. URA will process your application and upon approval you shall receive an email notification and an attachment of the Tax Clearance Certificate

**User guide**

**Step by step guide for applying for Tax clearance Certificate**

 

**How to track status of TCC application**

The acknowledgement receipt shall bare a reference number and search code to help the person track status of the application.

**How to verify whether the TCC is issued by URA or is forged**

a. Visit the URA website (https://ura.go.ug)

b. On the Home page under Tax Tools, click on Document Authentication

c. Select the Document type from the drop-down list as Tax clearance

d. Enter the reference number as indicated on the tax clearance certificate

Click on show details

f. If the certificate is genuine, system will display details of the certificate else, it will give you feedback that “**no Data Found**” for documents that are not genuine.

**Procedure and standards for managing TCCs**

1. Once you complete the Tax Clearance Certificate Application form online, the system assigns the submitted form to the verification officer.
2. After verification is completed, the task is assigned to the approving officer who may approve or reject the application after considering your profile.

**NOTE:**

* Annual TCCs may be issued to taxpayers whose compliance has been monitored for at least three (3) years. In such a scenario, you will receive a notification on email with the attachment of the TCC or rejection notice
* For Transactional TCCs, the applicant and the addressee will both receive notifications with the attachment of the TCC or rejection notice
* Reasons for approval or rejection and a record of the consideration must be documented as provided for in the system
* Response to a TCC application made by a taxpayer must be made within 2 working days of receipt of the application