**What is a small Business?**

This is a business that makes total sales between Ugx 10,000,000 and 150,000,000 in a year. This business should at least make sales of Ugx 27,500 in a day.

**What is tax on small businesses?**

This tax, also known as presumptive tax is charged by Uganda Revenue Authority from operators of small businesses.

**Who pays this tax?**

This tax is paid by the owners of small businesses.

**Does every owner of a business in this sales category pay this tax?**

No. professionals for example persons in dental, medical, engineers, accountants, and architectural practice among others do not pay this tax.

**How is a Small business charged?**

Below are the rates applied in taxing small businesses.

|  |  |  |
| --- | --- | --- |
| **TOTAL SALES IN A YEAR** | **TAX PAYABLE** | |
|  | **With Records** | **Without Records** |
| Total sales does not exceed Ugx 10 million | Nil | Nil |
| Total sales more than Ugx 10 million but less than Ugx 30 million | 0.4% of annual total sales in excess of 10 million | Ugx 80,000 |
| Total sales more than Ugx 30 million but does not more than Ugx 50 million | Ugx 80,000 plus 0.5% of the total sales in excess of Ugx 30 million | Ugx 200,000 |
| Total sales more than Ugx 50 million but not more than Ugx 80 million | Ugx 180,000 plus 0.6% of the annual total sales in excess of 50 million | Ugx 400,000 |
| Total sales more than Ugx 80 million but not more than Ugx 150 million | Ugx 360,000 plus 0.7% of the annual total sales in excess of 80 million | Ugx 900,000 |

**Please note**

1. The tax paid by the presumptive taxpayer shall be a final tax on the business income of a taxpayer
2. No deductions shall be allowed for expenditures or losses incurred in the production of business income and;
3. No tax credits are allowed to reduce the tax payable on the business income except withholding tax credit and provisional tax paid on amounts included in the gross annual income of the taxpayer
4. A taxpayers with no record shall pay a fixed cost while those with a record shall pay tax as a percentage of the annual turnover

**How do I pay this tax to URA**?

You can pay this tax by following the steps below:

1. Go to URA website; ura.go.ug;
2. Under e-services, select payment registration.
3. Select tax type i.e. income tax – small businesses.
4. Enter your TIN, email address and telephone number.
5. Input the amount applicable to you basing on the brackets above
6. Select the mode of payment (bank, mobile money, EFT etc) and register the payment.

Click here to register a payment

*Ensure that you pay the assessed amount. You can contact any of our offices for assistance on toll free numbers;* ***0800117000/0800217000*** *or WhatsApp:* ***0772 140000***