**Who is a VAT registered taxpayer?**

This is a business that makes total sales above Ugx 150,000,000 in a year and deals in taxable supplies.

If you run any business in this category and are not yet registered, you’re advised to register for VAT.

Click here to register for VAT

**What are examples of businesses in this category?**

In this category, businesses considered include supermarkets, hardware shops, general merchandise shops, distributors and agents, electronics and electrical appliances shops etc.

**What are my obligations as a VAT registered taxpayer?**

* Register for EFRIS
* Charge and collect VAT on taxable supplies by issuing a tax invoice
* File a VAT return within 15 days after the end of the month
* Maintain proper business records
* Avoid making false, reckless and misleading statements
* Pay VAT due as assessed in the return within 15 days after the end of the month

*The due date for filing a VAT return is the same for payment*

**What are the benefits of VAT registration?**

* You’re in position to supply large and/or reputable businesses which leads to more profits and business growth
* You avoid inconveniences arising from unfair assessments

**What taxes are payable by this business category?**

* Income (Corporation) tax at a standard rate of 30%.
* Pay As You Earn (PAYE) if you have employees that earn salary above Ugx 235,000
* Value Added Tax (VAT)
* Withholding tax in case you are a supplier of goods.

**Note** that you’re required to file the normal tax returns for each of the tax heads above

**Am I supposed to register for EFRIS?**

Yes. You must register for EFRIS if you operate a business in this category.

Click here for information on how to register for EFRIS

**How do I file returns for my business?**

You are required to file returns if you operate a business in this category

Click here for information on how to file your returns.

**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.

Click here to register a payment

**Do I qualify for a refund?**

Yes. You qualify for a refund if you meet the tax refund criteria.

**When do I qualify for a refund?**

You qualify for a refund if your input VAT (VAT on puchases) exceeds your output VAT (VAT on sales)

**How do I apply for refunds?**

Click here for information on how to apply for refund

**Am I entitled to any tax incentives?**

Yes. There are incentives available for you which include:

**Tax incentives under Domestic Taxes**

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| **INCOME TAX** | | | |
| **Beneficiary** | **Incentives** | **Period of Incentive** | **Conditions for the Tax Incentive** |
| Private employers of persons with disabilities (PWDs) | Deduction of 2% Income tax for employers that employ PWDs | Indefinite | 5% of employees must be PWDs |
| 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 |
| All taxpayers | 100% deduction of training expenditure | Indefinite | Employers who train permanent residents or provide tertiary education not exceeding in the aggregate 5 years |
| All taxpayers | Initial allowance and Depreciation allowance: Initial Allowance – capital deduction of 50% of qualifying Plant & machinery and 20% on Industrial building placed in the radius of 50Km outside the boundaries of Kampala. Person who places depreciable assets in service e.g. computers, automobiles, specialized trucks, tractors, plant and machinery used in farming, manufacturing or mining operations, trailers andtrailer mounted containers; and Industrial building deduction of 5% on cost of construction straight line method for 20 years. | Indefinite | All taxpayers with depreciable assets |
| All taxpayers | Carry forward losses: Assessed loss is carried forward as a deduction in the following year of income. | Duration of the loss | All taxpayers |

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| **VAT ACT** | | | |
| **Beneficiary** | **Incentives** | **Period of Incentive** | **Conditions for the Tax incentive** |
| VAT Registered taxpayers | VAT registered persons claim all the VAT incurred. | Indefinite | Turnover of UGX 150m in any 12-month period for first time registration, ability to keep proper books of accounts and making taxable supplies. |
| 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 |
| Exporters | Zero rating | Indefinite | All exporters |
| Suppliers to government | Cash basis accounting for VAT on supplies made to government | Indefinite | VAT registered suppliers |
| Suppliers of oxygen for medical use | Exempting the supply of oxygen | Indefinite | Oxygen for medical use |
| Suppliers of assistive devices for persons with disability | Exempting the supply of assistive devices for persons with disability. | Indefinite | Assistive devices must be for use by persons with disability |
| Suppliers of educational materials | Zero rating of supply of educational materials. | Indefinite | Includes educational materials manufactured in Uganda and the partner states of the EAC |
| Suppliers and manufacturers of menstrual cups | Zero rating the supply of menstrual cups and inputs for their manufacture. | Indefinite | Suppliers and manufacturers of menstrual cups |

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| --- | --- | --- | --- |
| **STAMP DUTY ACT** | | | |
| **Beneficiary** | **Incentives** | **Period of Incentive** | **Tax incentive** |
| 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. |

*For more information, please contact any of our offices for assistance on toll free numbers;* ***0800117000/0800217000*** *or WhatsApp:* ***0772 140000***