



THE REPUBLIC OF UGANDA

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ACC NO:.....
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THE VALUE ADDED TAX (AMENDMENT) ACT, 2020.



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ACC NO:.....	
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I SIGNIFY my assent to the bill.

Yuhseveni
.....
President

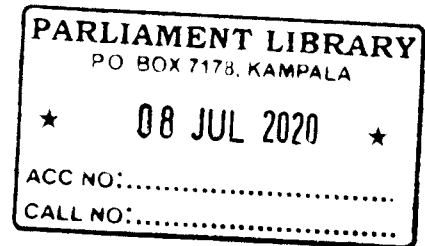
Date of assent:.....*30th of June, 2020.*

THE VALUE ADDED TAX (AMENDMENT) ACT, 2020

ARRANGEMENT OF SECTIONS

Section

1. Commencement
2. Amendment of the Value Added Tax Act, Cap. 349
3. Amendment of the First Schedule to principal Act
4. Amendment of Second Schedule to principal Act



THE VALUE ADDED TAX (AMENDMENT) ACT, 2020

An Act to amend the Value Added Tax Act, Cap. 349; to exempt Islamic Development Bank from tax; to provide for exemptions from tax for specified supplies and other related matters.

DATE OF ASSENT:

Date of Commencement:

BE IT ENACTED by Parliament as follows:

:

1. Commencement.

This Act shall come into force on 1st July, 2020.

2. Amendment of the Value Added Tax Act, Cap. 349.

The Value Added Tax Act, in this Act referred to as the principal Act is amended in section 28—

- (a) by inserting the words “or in case of manufacturers, not more than twelve months before the date of registration” at the end of subsection (3).
- (b) by inserting immediately after subsection (4) the following—

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Value Added Tax (Amendment) Act

2020

“(4a) A taxable person who is allowed a tax credit on purchase of goods and services from a supplier who is designated to use the e-invoicing system, shall only claim a tax credit on expenses supported by e-invoices or e-receipts.”

3. Amendment of the First Schedule to principal Act

The First Schedule is amended by inserting immediately after “International Telecommunications Union” the following—

“Islamic Development Bank”

4. Amendment of the Second Schedule to principal Act

The Second Schedule to principal Act is amended—

- (a) by inserting immediately under paragraph (s) immediately after paragraph (xxxvii) the following—

“(xxxviii) trailer for agricultural purposes;

(xxxix) combine harvesters.

(xxxli) tractor mounted hay mowers, slashers, rakes and tedders; Crop sprayers; hay and straw Balers; Tractor mounted Hole diggers or borers; Tractor mounted; Scrapers, levelling blades and Dam scoops; Root or tuber harvesting machinery; Tractor mounted loaders; Irrigation equipment; Drinkers and feeders for all farm animals; Tuber harvesting machinery”

- (b) by substituting for paragraph (pp) the following—

“(pp) supply of services to conduct a feasibility study and design; the supply of locally produced materials for the construction of a factory or a warehouse and the supply of locally produced raw materials and inputs

Act

Value Added Tax (Amendment) Act

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or machinery or equipment, to an operator within an industrial park, free zone or any other person carrying on business outside the industrial park or free zone whose minimum investment capital is ten million United States Dollars in the case of a foreigner or three hundred thousand United States Dollars in case of a citizen; or one hundred fifty thousand United States Dollars, for a citizen whose investment is placed upcountry who uses at least seventy percent of the raw materials that are locally sourced, subject to their availability and at least seventy percent of the employees are citizens earning an aggregate wage of at least seventy percent of the total wage bill; and who —

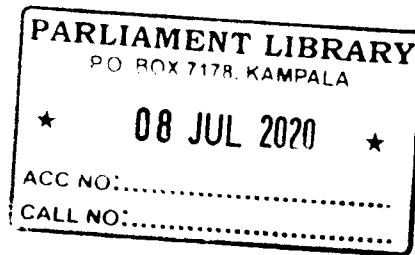
- (i) processes agricultural goods;
 - (ii) manufactures or assembles medical appliances, medical sundries or pharmaceuticals, building materials, automobile, house hold appliances;
 - (iii) manufactures furniture, pulp, paper, printing and publishing of instructional materials;
 - (iv) establishes or operates vocational or technical institutes;
 - (v) carries out business in logistics and ware housing, information technology or commercial farming; or
 - (vi) manufactures tyres, footwear, mattress or toothpaste;”.
- (c) by inserting immediately after paragraph (eee) the following—
- “(fff) supply of cotton seed cake;
 - (ggg) the supply of the following services—

Act*Value Added Tax (Amendment) Act***2020**

- (i) software and equipment installation services to manufactures;
 - (ii) services incidental to tele-medical services; and
 - (iii) royalties paid in respect of agricultural technologies;
- (hhh) the supply of accommodation in tourist hotels and lodges located up-country;
- (iii) the supply of liquefied gas;
- (jjj) the supply of processed milk;
- (kkk) the supply of locally developed computer software, its maintenance and software licenses;
- (lll) the supply of services to conduct a feasibility study, design and construction; the supply of locally produced materials for construction of premises, infrastructure, machinery and equipment or furnishings and fittings which are not available on the local market to a hotel or tourism facility developer whose investment capital is eight million United States Dollars with a room capacity not exceeding 30 rooms; or to meetings, incentives, conferences and exhibitions facility developer whose investment capital is not less than one million United States Dollars;.”



THE REPUBLIC OF UGANDA



This printed impression has been carefully compared by me with the bill which was passed by Parliament and found by me to be a true copy of the bill.

[Handwritten signature]

.....
Clerk to Parliament

Date of authentication: *26/05/2020*