

THE VALUE ADDED TAX (AMENDMENT) ACT, 2005.

ARRANGEMENT OF SECTIONS

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THE VALUE ADDED TAX (AMENDMENT) ACT, 2005

An Act to amend the Value Added Tax Act, Cap. 349

DATE OF ASSENT: 2nd November, 2005

Date of Commencement: 1st July, 2005

BE IT ENACTED by Parliament as follows:

1. Short title and commencement

(1) This Act may be cited as the Value Added Tax (Amendment) Act, 2005.

(2) This Act shall be deemed to have come into force on 1st July, 2005.

2. Amendment of section 20

Section 20 of the Value Added Tax Act, in this Act referred to as the principal Act, is amended by substituting for paragraph (a) the following new paragraph—

“(a) are exempt from customs duty under the Fifth Schedule of the East African Community Customs Management Act, 2004”.

3. Insertion of new sections 79, 80, and 81

The principal Act is amended by inserting immediately after section 78 the following new sections—

“79. Practice notes

(1) To achieve consistency in the administration of this Act and to provide guidance to taxpayers and officers of the Uganda Revenue Authority, the Commissioner General may issue practice notes setting out the Commissioner General's interpretation of this Act.

(2) A practice note is binding on the Commissioner General until revoked.

(3) A practice note is not binding on a taxpayer.

80. Private rulings

(1) The Commissioner General may, upon application in writing by a taxpayer, issue to the taxpayer a private ruling setting out the Commissioner General's position regarding the application of this Act to a transaction proposed or entered into by the taxpayer.

(2) Where the taxpayer has made a full and true disclosure of the nature of all aspects of the transaction relevant to the ruling and the transaction has proceeded in all material respects as described in the taxpayer's application for the ruling, the ruling shall be binding on the Commissioner General with respect to the application to the transaction of the law as it stood at the time the ruling was issued.

(3) Where there is any inconsistency between a practice note and a private ruling, priority shall be given to the terms of the private ruling.

81. International Agreements

Where an international agreement entered into between the Government of Uganda and the government of a foreign country or an international organisation, provides tax reliefs or benefits to a foreign government or an international organisation, the provisions relating to tax reliefs or benefits shall have effect—

(a) on the ratification of the agreement by Cabinet; and

(b) upon approval by Parliament.”

4. Amendment of Second Schedule

The Second Schedule to the principal Act is amended in paragraph 1—

(a) by substituting for subparagraph (t) the following subparagraph —

“(t) the supply of photosensitive semiconductor devices, including photovoltaic devices, whether or not assembled in modules or made into panels; light emitting diodes; solar water heaters and solar cookers;”

(b) by substituting for subparagraph (x) the following subparagraph—

“(x) the supply of lifejackets, lifesaving gear, headgear and speed governors;”

(c) by deleting subparagraph (y).

5. Amendment of Third Schedule

The Third Schedule to the principal Act is amended in paragraph 1—

(a) by inserting after paragraph (h) the following paragraphs—

“(t) the supply and installation of Mobile Toilets, Ekoloo Toilets, and components made from polyethylene with effect from 1st July, 2004;

(j) the supply of sanitary towels and tampons.”

Cross references

East African Community Customs Management Act, 2004(Act No.1 of 2005 of the East African Community)

Value Added Tax Act, Cap. 349