

ACTS SUPPLEMENT

to The Uganda Gazette No. 42, Volume CIX, dated 15th June, 2016.

Printed by UPPC, Entebbe, by Order of the Government.

Act 11 *Value Added Tax (Amendment) Act* **2016**

THE VALUE ADDED TAX (AMENDMENT) ACT, 2016

ARRANGEMENT OF SECTIONS

Section

1. Commencement.
2. Amendment of the Value Added Tax Act, Cap. 349.
3. Amendment of section 20 of principal Act.
4. Amendment of section 24 of principal Act.
5. Amendment of section 25 of principal Act.
6. Amendment of section 28 of principal Act.
7. Amendment of Second Schedule of principal Act.

THE VALUE ADDED TAX (AMENDMENT) ACT, 2016.

An Act to amend the Value Added Tax Act, Cap. 349 to provide for persons engaged in midstream petroleum operations to register as taxable persons under the Act; to remove compact fluorescent bulbs and LED lamps or bulbs from the list of exempt goods; to allow persons engaged in business process outsourcing to claim input VAT on imported services; to include other specified agricultural processing machinery on the list of exempted supplies and to provide for related matters.

DATE OF ASSENT: 14th May, 2016.

Date of Commencement: 1st July, 2016.

BE IT ENACTED by Parliament as follows:

1. Commencement.

This Act shall come into force on 1st July, 2016.

2. Amendment of the Value Added Tax Act.

The Value added Tax Act, in this Act referred to as the principal Act is amended in section 7(4A) by inserting immediately after paragraph (c), the following—

“(d) a person undertaking midstream operations as defined by the Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act 2013.”

3. Amendment of section 20 of principal Act.

Section 20 of the principal Act is amended by substituting for paragraph (a) the following—

“(a) are exempt from customs duty under the Fifth Schedule of the East African Community Customs Management Act, 2004 except compact fluorescent bulbs with a power connecting cap at the end and lamps and bulbs made from Light Emitting Diodes (LED) technology for domestic and industrial use.”

4. Amendment of section 24 of principal Act.

Section 24 if the principal Act is amended by inserting immediately after subsection (5), the following—

“(6) For the purposes of this section, the 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.”

5. Amendment of section 25 of principal Act.

Section 25 of the principal Act is amended by substituting for subsection (2) the following—

“(2) For a contractor or supplier, component **X** of the formula in paragraph 1(b) of the Fourth Schedule for a tax period does not include the amount of tax that the licensee or supplier is deemed to have paid to the contractor or supplier under section 24(5) or (6) for the tax period.”

6. Amendment of section 28 of principal Act.

Section 28 of the principal Act is amended in subsection (1)(b) by inserting immediately after the words “or import of services made by licensee” the words “or a person providing business process outsourcing services”.

7. Amendment of Second Schedule to principal Act.

The Second Schedule of the principal Act is amended—

(a) by substituting for paragraph (a) the following—

(a) the supply of livestock, unprocessed foodstuffs and unprocessed agricultural products.

(b) by repealing paragraph 1(ta);

(c) by substituting for paragraph 1(dda) the following—

“(dda) the supply of any goods and services to the contractors and subcontractors of hydroelectric power, solar power, geothermal power or bio gas and wind energy projects;” and

(d) in subsection (1)(s) by inserting immediately after paragraph (xxiii) the following—

“(xxiv) hullers;
(xxv) oil press;
(xxvi) tillers;
(xxvii) grain dryers;
(xxviii) manure spreaders;
(xxix) fertilizer distributor;
(xxx) transplanters;
(xxxi) juice presses and crushers;
(xxxii) seed and grain shellers;
(xxxiii) silage chopper machines;
(xxxiv) color sorters for coffee;
(xxxv) coffee roasters;”.

Cross Reference

Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act 2013, Act No. 4 of 2013

