

## WITHHOLDING TAX EXEMPTION APPLICATIONS FOR 2023/2024

In accordance with Sections 118A (2) and 119(5)(f) (ii) of the Income Tax Act Cap 340 as amended and Section 5(2)(b) of the Value Added Tax Act Cap 349 as amended, the Commissioner hereby notifies the General Public that the application window for Withholding Tax Exemption for Financial Year 2023/24 shall be opened with effect from April 20th, 2023.

WHT Exemption applications shall be received for a period of two months from April 20th, 2023 up to June 20th, 2023. The General Public is further notified that the WHT Exemption application is strictly online and no physical applications shall be considered.

Please note that all WHT Exemption applicants shall be vetted based on the compliance checklist in the appendix below and only compliant taxpayers will be granted the exemption.

Once granted, the exemption will be valid for a period of 12 months from 1st July 2023 to 30th June 2024. However, the WHT Exemption status shall be subject to automatic revocation if the entity or its associate fails to comply with its tax obligations during the financial year.

All applicants are therefore advised to undertake a review of their tax affairs and ensure that they are

compliant with the relevant tax laws and procedures prior to applying.

**How to apply;**

Visit the URA web portal at <http://ura.go.ug> and follow the steps below;

- i. Log into your TIN account using your TIN and password;
- ii. Under **e-Services**, click on **e-Registration**;
- iii. Under Others, select **“Withholding Tax Exemption Application”** and then proceed with the process of self-assessment until the end then, **submit** your application.
- iv. Ensure that you get an acknowledgment receipt with a reference number as evidence of application.

**Appendix: WHT Exemption Compliance**

| S/N. | COMPLIANCE CHECKLIST  | YES/NO |  |
|------|---|--------|--|
| 1    | Do all the directors/associates have Tax Identification Numbers (TIN)?  |        | 17 Are all directors earning monthly salary declared in the P.A.Y.E returns?   |
| 2    | Do you have an active TIN and have you been in operation for at least 3 years?  |        | 18 Where directors are not on the payroll, are they filing individual Income Tax returns and declaring income from all sources?                      |
| 3    | If you are less than 3 years on the tax register, are you importing Plant and Machinery whose CIF value is at least USD 150,000?                  |        | 19 Do you declare rental income separately from business income? (Applicable to those receiving both rental and business income).                    |
| 4    | Do you have any existing Income Tax exemption?  |        | 20 Have you incurred any expenditure above five million shillings in one transaction on goods and services from a supplier who does not have a TIN?  |
| 5    | Is your registration profile up to date including correct address, correct tax types, directors’ details, and all required information?           |        | 21 Do you provide valid TIN(s) and Names of the landlord in your Income Tax returns? (Applicable to those incurring rent expenses/expenditure)       |
| 6    | Do you issue EFRIS invoices/Receipts to all clients? (For VAT registered taxpayers)   |        | 22 Have you been making losses in the past three financial years?  |
| 7    | Do you apply tax stamps to all applicable products? (For LED registered taxpayers)  |        | 23 Have you paid the penalty for under-estimation of the provisional Income Tax return in the past five years? (Where applicable)                    |
| 8    | Do you have a Tax agent as provided for in the Tax Procedures Code Act? If Yes, provide the TIN(s) in the remark.                                 |        | 24 Do you pay all your taxes by their due dates?   |
| 9    | Are you registered for WHT as a Tax type?   |        | 25 If you are a small taxpayer, are your total Domestic Tax payments in the last twelve (12) months prior to the month of application above UGX 50m? |
| 10   | Are you a Designated Withholding Tax Agent?   |        | 26 If you have any outstanding tax liability, are you under any approved installment plan?   |
| 11   | Are you deducting and remitting WHT in time?  |        | 27 Have you been under any enforcement method by URA to recover Tax e.g. Agency Notice, Warrant of distress, Customs Lien etc.?                      |
| 12   | Do you declare all your local suppliers’ TINs in the WHT returns?   |        | 28 If you dispute your ledger tax balances, have you engaged URA over the disputed tax balances?   |
| 13   | Do you file all returns by their due dates?   |        | 29 Have you ever applied or benefitted from a tax waiver?  |
| 14   | Do you apportion the VAT input claimed? (Applicable to VAT registered persons dealing in taxable and exempt supplies).                            |        | 30 Have you ever been investigated by the Tax Investigation Department of URA?   |
| 15   | Do you declare the correct customer TINs and Names in the VAT returns other than sales to final Consumers? (Applicable to VAT registered persons) |        |  |
| 16   | Do you fully declare all your employees’ remunerations in the PAYE return with the correct Employee TINs?   |        |  |

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**URA MANAGEMENT**

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