



Uganda Revenue Authority

DEVELOPING UGANDA TOGETHER

TAX ADMINISTRATION, POVERTY AND INEQUALITY

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Facts about Uganda

- Population: 33 million
- Average annual population growth rate: 3.2%, one of the highest rates in the world.
- Average life expectancy: 53 years
- Percentage of people below the poverty line: 31%.
- Tax/GDP ratio 13.1% (2010)
- Revenue contribution to national budget 73%
- Gini index 45.7

Challenges

The isn't enough to around: why?

- Narrow Tax Base
- Large informal sector
- Wide range of exemptions

Therefore the dilemma of policy makers

Income distribution and revenue mobilization competing with each other in policy decision?

It depends on who you talk to when.

Administrative Challenges

Inadequate Budget Resources

- To afford Modern and Advanced tools
- To afford Up to date Skills
- To retain and remunerate the best staff
- To explore emerging business lines e.g.
 - e-commerce (Forex trading, Cloud computing)

That match the pace of business transformation (Positive and Negative)

Policy Interventions

Policy Initiatives to address inequality

- Free primary, secondary and tertiary education
- Subsidized medical care
- Creation of a ministry for micro finance

Policy Interventions

Tax Policy Initiatives to address inequality

- A progressive personal income tax (PAYE)
- Exemption of charitable organizations
- Exemption of income of educational institutions
- Exemption of health services
- Exemption of the agricultural sector
- Interest on agricultural loans exempted from tax

The best tax policy in the world is worth little if it cannot be implemented **effectively!**

Administrative Interventions.

Tax Morale - willingness to comply with tax laws.

- Major efforts for Voluntary Compliance.
 - Fully dedicated to Self Services
 - eRegistration, eFiling, ePayments, Online Tracking
 - 24/7 services (Customs, Payments, Filing)
 - Zero Tolerance to Corruption
 - Rebranding (Offices, Signage, Fleet)
 - Mobile Tax hubs

Interventions..

- Tax Education
 - Tax Curriculum in Secondary Schools
 - Tax sensitization
- Corporate Social Responsibility
- Business Fora
- Taxpayer recognition and Appreciation Days

Interventions...

- Reforms
 - Capacity Building
 - Training
 - Benchmarking (Rwanda, Ghana, Namibia, TZ, SA, Israel, Kenya, Angola, Nigeria)
 - Phase I (2005 - 2010)
 - Alignment of Execution to Strategy (BSC Framework)
 - Business Process Re-engineering (DT and Customs)
 - Automation of Business Processes (eTAX)

Interventions....

- Phase II (2011 - 2016)
 - Service Support Enhancement
 - Building a robust taxpayer service function as well as service support capabilities
 - Infrastructure Development
 - Base ICT Infrastructure to support online services, One Stop Service Center for all services
 - Integrated Tax Administration
 - Fully Integrated Processes and Systems
 - Institutional Change Management

Regional Cooperation

- ATAF - south to south cooperation especially in capacity building.
- Regional Information exchange mechanisms systems to stop evasion.

Thank you for your attention