

Vote:141 URA

VI: Vote Overview

(i) Snapshot of Medium Term Budget Allocations

Table V1.1: Overview of Vote Expenditures

Billion Uganda Shillings	FY2018/19 Outturn	FY2019/20		FY2020/21 Proposed Budget	MTEF Budget Projections			
		Approved Budget	Spent by End Sep		2021/22	2022/23	2023/24	2024/25
Recurrent Wage	133.964	163.264	39.113	163.264	163.264	163.264	163.264	163.264
Non Wage	180.682	231.352	61.656	231.352	277.622	333.146	399.776	479.731
Devt. GoU	35.570	43.640	10.500	43.640	43.640	43.640	43.640	43.640
Ext. Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GoU Total	350.216	438.255	111.268	438.255	484.525	540.050	606.679	686.634
Total GoU+Ext Fin (MTEF)	350.216	438.255	111.268	438.255	484.525	540.050	606.679	686.634
<i>A.I.A Total</i>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Grand Total	350.216	438.255	111.268	438.255	484.525	540.050	606.679	686.634

(ii) Vote Strategic Objective

Cultivate a taxpaying culture through provision of reliable services, leadership development and building strategic Partnerships.

V2: Past Vote Performance and Medium Term Plans

Performance for Previous Year FY 2018/19

- Revenue collection to target was 101.58% (Net UGX 16,617.65 Bn)
 - UGX. 9,749.29 Bn Domestic Tax
 - UGX. 6,875.41 Bn Customs Revenue
- Filing Ratio 87.37% (VAT & PAYE)
- 12.62% (166,663 new taxpayers) growth in Tax register
- 2.06% Tax administration cost as percentage of revenue
- Un qualified Auditor General's rating
- 90.10% of the strategic plan was delivered
- Budget allocated was 350.22 Bn and all funds released were utilized.

Performance as of BFP FY 2019/20 (Performance as of BFP)

Performance as at 30th September 2019

- Gross revenue collection to target was 88.94% (UGX 4,095.57 Bn).
 - UGX. 2,405.45 Bn Domestic Tax
 - UGX. 1,690.12 Bn Customs Revenue
- 88.67% Average filling Ratio (VAT & PAYE)
- 2.54% (37,761 new taxpayers) growth in Tax register
- 2.46% Tax administration cost as percentage of revenue
- 21.34% of the annual strategic plan was delivered
- Budget allocated for FY 2018/19 prepared and delivered according to PFM Act 2015

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FY 2020/21 Planned Outputs

1. 100% revenue collection to target
2. Compliance Index of 80%
3. Administration cost as percentage of revenue 2.3%
4. Percentage growth in taxpayer register 15%
6. Collection of UGX 80 Bn from debt
7. 85% of cases won and settled in URA's favor
8. Complete 250 Post clearance audits
9. 19,758 Tax Audits and compliance inspection actions
11. 1,800 intelligence focused operations
12. 25% of electronic cargo tracked
13. 85 scheme and sector/industry based investigations to conclusion

Medium Term Plans

1. Implement a comprehensive data management program
2. Implement comprehensive stakeholder collaboration program
3. Implement governance enhancement program
4. Implement risk based compliance improvement programs
5. Implement Tax register expansion programs
6. Implement Service enhancement programs
7. Strengthen the assessment and mobilization of Rental tax especially in LGs
8. Implement Tax education programs
9. Implement eTAX 2, Digital Tax Stamps and Electronic Fiscal Devices(EFDs/ E-invoicing)
10. Trade facilitation initiatives 8.Participate in the finalizing and implementation of the DRM Strategy.
11. Strengthen Debt recovery and litigation
12. Implement Business Process Management Programs;
13. Participate in the development of systems to support revenue collection and all government agencies.
14. Participate in the development of Non Tax Revenue collection strategy, financial literacy strategy and communication strategy
15. Participate in the capacity building of Local Governments in tax administration
16. Participate in the development of a strategy on mandatory association membership for informal sector players
17. Improve Human Resources including staff maintenance & capacity development structural alignment Programs
18. Carry out equal opportunity activities i.e gender, environment and HIV initiatives
19. Support revenue collection in local government
20. Develop a digital innovations plan including standards

Efficiency of Vote Budget Allocations

Allocation towards post implementation of ERP which will lead to improved performance management as well as efficiency in resource utilization and management. More funds allocated to improve operations at Service Centers across the country which will ensure efficiency gains in compliance & service management.. Funds allocation to Vehicle Finance Lease will enhance budget efficiency in managing operational fleet. All will take approximately 8.5% of budget.

Vote Investment Plans

1. New Headquarter Data center
2. Enterprise Resource Planning (ERP)
3. 4.Motor vehicles (Lease)
4. Office equipment, furniture & fittings
5. Computer equipment
6. Disaster recovery system and IT licenses

Major Expenditure Allocations in the Vote for FY 2020/21

- 1) Staff costs (54.4%)

This will cover capacity building, Staff welfare and related expenses (NSSF, Workman compensation, Group Life Assurance, medical expenses, Retirement Benefit Scheme contribution, death benefits, gratuity and service award).

- 2) Repairs and Maintenance Costs (23.68%)

This covers maintenance of building,computer equipment, ICT software & licences and construction of parking yards to facilitate Trucks when doing goods verification..

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V3: PROGRAMME OUTCOMES, OUTCOME INDICATORS AND PROPOSED BUDGET ALLOCATION

Table V3.1: Programme Outcome and Outcome Indicators

Programme :	18 Administration and Support Services				
Programme Objective :	Improve institutional performance				
Responsible Officer:	Doris Akol				
Programme Outcome:	Efficient and effective institutional performance				
<i>Sector Outcomes contributed to by the Programme Outcome</i>					
1. Fiscal Credibility and Sustainability					
Programme Performance Indicators (Output)	Performance Targets				
	2019/20 Plan	2019/20 Q1 Actual	2020/21 Target	2021/22 Target	2022/23 Target
• Level of Strategic plan delivered	80%	21.34%	80%	80%	80%
• Annual Auditor General rating of institutions	unqualified	unqualified	unqualified	unqualified	unqualified
Programme :	54 Revenue Collection & Administration				
Programme Objective :	Maximise Revenue				
Responsible Officer:	Doris Akol				
Programme Outcome:	Maximum revenue				
<i>Sector Outcomes contributed to by the Programme Outcome</i>					
1. Fiscal Credibility and Sustainability					
Programme Performance Indicators (Output)	Performance Targets				
	2019/20 Plan	2019/20 Q1 Actual	2020/21 Target	2021/22 Target	2022/23 Target
• Revenue collection to target	100%	19.77%	100%	100%	100%
• Compliance level	80%	64.16%	80%	82%	83%
• Tax Administration cost as % of revenue	2.3%	2.46%	2.3%	2.3%	2.3%

Table V3.2: Past Expenditure Outturns and Medium Term Projections by Programme

<i>Billion Uganda shillings</i>	2018/19	2019/20		2020/21	MTEF Budget Projections			
	Outturn	Approved Budget	Spent By End Q1	Proposed Budget	2021/22	2022/23	2023/24	2024/25
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18 Administration and Support Services	169.192	215.767	52.352	214.348	247.249	280.309	319.980	367.585
54 Revenue Collection & Administration	179.773	222.488	58.735	223.907	237.276	259.741	286.699	319.049
Total for the Vote	348.965	438.255	111.087	438.255	484.525	540.050	606.679	686.634

V4: SUBPROGRAMME PAST EXPENDITURE OUTTURNS AND PROPOSED BUDGET ALLOCATIONS

Table V4.1: Past Expenditure Outturns and Medium Term Projections by SubProgramme

<i>Billion Uganda shillings</i>	2018/19	2019/20	2020/21	Medium Term Projections
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	Outturn	Approved Budget	Spent By End Sep	Proposed Budget	2021/22	2022/23	2023/24	2024/25
<i>Programme: 18 Administration and Support Services</i>								
02 Internal Audit and Compliance	5.692	8.585	2.463	8.467	9.279	10.112	11.111	12.310
03 Corporate services	108.391	128.046	30.408	127.227	154.349	181.193	213.407	252.063
04 Legal Services	6.567	8.698	2.460	8.860	9.527	10.522	11.716	13.148
0653 Support to URA Projects	35.520	43.640	10.488	43.640	43.640	43.640	43.640	43.640
08 Research & Planning, Public Awareness and Tax Education	13.294	26.799	6.534	26.153	30.455	34.842	40.107	46.424
Total For the Programme : 18	169.464	215.767	52.352	214.348	247.249	280.309	319.980	367.585
<i>Programme: 54 Revenue Collection & Administration</i>								
05 Domestic Taxes	99.575	110.826	29.440	113.113	117.806	128.542	141.424	156.884
06 Customs	73.745	97.440	25.377	99.340	103.702	113.577	125.427	139.647
07 Tax Investigations	6.705	14.222	3.917	11.454	15.768	17.622	19.848	22.519
Total For the Programme : 54	180.025	222.488	58.735	223.907	237.276	259.741	286.699	319.049
Total for the Vote :141	349.490	438.255	111.087	438.255	484.525	540.050	606.679	686.634

N / A

Table V4.3: Major Capital Investment (Capital Purchases outputs over 0.5Billion)

FY 2019/20		FY 2020/21
Appr. Budget and Planned Outputs	Expenditures and Achievements by end Sep	Proposed Budget and Planned Outputs
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Programme : 18 Administration and Support Services		
Project : 0653 Support to URA Projects		

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Output: 72 Government Buildings and Administrative Infrastructure			
OSBPs management & maintenance Priority regional offices enhanced HQ building Snag list activities executed Post project implementation review report		Management ad maintenance of One Stop Boarder Points (OSBPs) conducted during the first quarter as planned. Having attained practical completion on November 26, 2018 with issuance of a Certificate by the project manager, the project commenced the defect liability period during which any defects can be remedied. During the first quarter of FY 2019/20, the following snags were repaired: • Wall painting and wall installations repaired. • Ceiling snags including: re- aligning the tiles, non-functional lights • Adjustments to loose door closers	
Total Output Cost(Ushs Thousand):	5.600	1.400	2.600
Gou Dev't:	5.600	1.400	2.600
Ext Fin:	0.000	0.000	0.000
A.I.A:	0.000	0.000	0.000
Output: 75 Purchase of Motor Vehicles and Other Transport Equipment			
Lease for Motor vehicles		The lease payment of the motor- vehicles was made as planned.	
Total Output Cost(Ushs Thousand):	5.022	1.256	8.022
Gou Dev't:	5.022	1.256	8.022
Ext Fin:	0.000	0.000	0.000
A.I.A:	0.000	0.000	0.000
Output: 76 Purchase of Office and ICT Equipment, including software			
New Computers acquired Disaster recovery system and related IT licences New HQ Data Center Enterprise Resource Planning solution phase 3 Office equipment			
Total Output Cost(Ushs Thousand):	32.917	7.820	32.917
Gou Dev't:	32.917	7.820	32.917

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Ext Fin:	0.000	0.000	0.000
A.I.A:	0.000	0.000	0.000

V5: VOTE CHALLENGES FOR 2020/21 AND ADDITIONAL FUNDING REQUESTS

Vote Challenges for FY 2020/21

1. Policy measures that were not fully implemented such as gazetting of more withholding tax agents, access to banking Telecom monitoring machine, customs Policy reversals, mobile money tax etc. however URA collection target was not reviewed to reflect the adjustments.
2. Digital economy:: Increasing globalization enables multinational companies (MNCs) to execute aggressive transfer pricing strategies, e-commerce, Base Erosion and Profit Shifting (BEPS), and tax plans aimed at tax avoidance. Therefore, we need to equip enough staff with skills in auditing MNCs most especially the Telecom Sector.
3. Inadequate financing to support structural review, increase staff strength, skills and reach in critical areas e.g. Oil & Gas, Telecom Audit and Rental.
4. Need to prepare for the production of Oil and Gas activities and management of the resultant revenues.
5. There is gross under declaration of rental income and therefore close monitoring through door to door field exercises, use of informers and GPS system is required.
6. The unregulated informal sector affects expansion of the revenue base (growth and expansion)
7. Collaboration and the changing role of Customs and regional agreements e.g. the African Continental Free Trade Area (AfCTA).
8. Continuous upgrade of the IT infrastructure including the primary Data Center.

Table V5.1: Additional Funding Requests

Additional requirements for funding and outputs in 2020/21	Justification of requirement for additional outputs and funding
Vote : 141 URA	
Programme : 18 Administration and Support Services	
OutPut : 03 Administrative Support Services	
Funding requirement US\$ Bn : 1.285	Health, safety initiatives and uniform will enhance staff wellness and corporate image that will enhance service management.
OutPut : 04 Public Awareness and Tax Education/Modernization	
Funding requirement US\$ Bn : 4.300	Strategic & Operational risk management, change management, maturity measurement & evaluation will enhance business continuity and management of the ongoing digital transformation of the economy. Unified contact Center will improve communication and service to Taxpayers in a systematic and transparent manner according to the URA service delivery standards.
OutPut : 76 Purchase of Office and ICT Equipment, including software	
Funding requirement US\$ Bn : 26.224	Movement of the data to the URA Tower provides the urgently needed space to host numerous services that are now lined up such as DTS, EFD/ e-invoicing. Access control security equipment. provides security and maintenance of staff and property at the URA tower.
Programme : 54 Revenue Collection & Administration	
OutPut : 01 Customs Tax Collection	
Funding requirement US\$ Bn : 0.500	ensure non intrusive inspection for better risk management