

VOTE: 141 Uganda Revenue Authority (URA)

I. VOTE MISSION STATEMENT

Mobilize Revenue for National Development in a Transparent and Efficient Manner

II. STRATEGIC OBJECTIVE

Automation of processes
Performance management
Fighting corruption
Tax education
Stakeholder management
Tax compliance management.

III. MAJOR ACHIEVEMENTS IN 2023/24

Net revenue collections for the half year were UGX 13,136.25 Bn, posting a performance of 94.25 percent and a growth in revenue of UGX 1,494.54 billion representing a 12.84 percent growth.

Gross domestic revenue was UGX 8,808.51 Bn while net customs revenue was UGX 4,646.40 Bn.

A total of 564,138 new taxpayers were added to the register representing a growth of 16.12 percent against a target of 8.5 percent. The total number of taxpayers as of 31st December 2023 was 4,064,432. Of these 204,573 were non-individuals and 3,859,859 were individual taxpayers

The average on-time filing ratios for the period were 74.51 percent for PAYE against a target of 84.0 percent and 78.27 percent for VAT against a target of 84.0 percent.

Customs country-wide enforcement operations led to a recovery of UGX 91.39 Bn because of 9,962 seizures. Total arrears recovered were 746.49 Bn.

A total of UGX 746.49 billion were collected in the period July-December 2023. Tax investigation efforts resulted in the completion of one hundred fifty-seven with identified recoverable revenue worth UGX 370.12 billion.

As of 31st December 2023, the total EFRIS register stood at 64,428 taxpayers. EFRIS usage is at 83 percent.

Overall, 1,172 sites have been registered for DTS, representing 878 manufacturers and 294 importers. Revenue from DTS assessments and amendments was to the tune of UGX 11.21 billion from July to December 2023.

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IV. MEDIUM TERM BUDGET ALLOCATIONS

Table 4.1: Overview of Vote Expenditure (Ushs Billion)

| | 2023/24 | | 2024/25 | MTEF Budget Projections | | | | |
|--|-----------------|------------------|------------------|-------------------------|----------------|----------------|----------------|----------------|
| | Approved Budget | Spent by End Dec | Budget Estimates | 2025/26 | 2026/27 | 2027/28 | 2028/29 | |
| Recurrent | Wage | 253.495 | 117.009 | 197.762 | 207.650 | 218.032 | 228.934 | 251.827 |
| | Non-Wage | 321.175 | 147.971 | 321.175 | 327.598 | 383.290 | 440.784 | 528.940 |
| Devt. | GoU | 45.320 | 22.660 | 45.320 | 47.586 | 54.724 | 60.196 | 72.236 |
| | Ext Fin. | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| GoU Total | | 619.990 | 287.640 | 564.257 | 582.834 | 656.046 | 729.914 | 853.003 |
| Total GoU+Ext Fin (MTEF) | | 619.990 | 287.640 | 564.257 | 582.834 | 656.046 | 729.914 | 853.003 |
| Arrears | | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Budget | | 619.990 | 287.640 | 564.257 | 582.834 | 656.046 | 729.914 | 853.003 |
| Total Vote Budget Excluding Arrears | | 619.990 | 287.640 | 564.257 | 582.834 | 656.046 | 729.914 | 853.003 |

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Table 4.2: Budget Allocation by Department for Recurrent and Development (Ushs Billion)

| <i>Billion Uganda Shillings</i> | Draft Budget Estimates FY 2024/25 | |
|--|-----------------------------------|---------------|
| | Recurrent | Development |
| Programme:18 Development Plan Implementation | 518.937 | 45.320 |
| SubProgramme:01 Development Planning, Research, Evaluation and Statistics | 72.773 | 0.000 |
| Sub SubProgramme:01 Administration and Support Services | 72.773 | 0.000 |
| 002 Internal Audit | 6.610 | 0.000 |
| 005 Information Technology & Innovation | 66.163 | 0.000 |
| SubProgramme:02 Resource Mobilization and Budgeting | 446.163 | 45.320 |
| Sub SubProgramme:01 Administration and Support Services | 147.455 | 45.320 |
| 001 Corporate Services | 109.270 | 45.320 |
| 003 Legal Services & Board Affairs | 11.487 | 0.000 |
| 004 Governance and Leadership | 26.698 | 0.000 |
| Sub SubProgramme:02 Revenue Collection & Administration | 298.708 | 0.000 |
| 001 Customs | 139.251 | 0.000 |
| 002 Domestic Taxes | 140.498 | 0.000 |
| 003 Tax Investigations | 18.960 | 0.000 |
| Total for the Vote | 518.937 | 45.320 |

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V. PERFORMANCE INDICATORS AND PLANNED OUTPUTS

Table 5.1: Performance Indicators

Programme: 18 Development Plan Implementation

SubProgramme: 01 Development Planning, Research, Evaluation and Statistics

Sub SubProgramme: 01 Administration and Support Services

Department: 002 Internal Audit

Budget Output: 000001 Audit and Risk Management

PIAP Output: Big data analysis techniques incorporated in Audit and Investigations promoted

Programme Intervention: 180606 Promote the use of big data analysis techniques in Audit and Investigations;

| Indicator Name | Indicator Measure | Base Year | Base Level | 2023/24 | | Performance Targets |
|--|-------------------|-----------|------------|---------|----------------|---------------------|
| | | | | Target | Q2 Performance | 2024/25 |
| Number of audits undertaken using big data analytics | Number | 2017-18 | | 52 | 29 | 55 |

Department: 005 Information Technology & Innovation

Budget Output: 560053 Research and Information Technology

PIAP Output: Research and Evaluation Capacity built

Programme Intervention: 180204 Strengthen the planning and development function at the parish level to bring delivery of services closer to the people;

| Indicator Name | Indicator Measure | Base Year | Base Level | 2023/24 | | Performance Targets |
|--|-------------------|-----------|------------|---------|----------------|---------------------|
| | | | | Target | Q2 Performance | 2024/25 |
| Number of staff trained in Research and Evaluation | Number | 2017-18 | 0 | 10 | 5 | 10 |

SubProgramme: 02 Resource Mobilization and Budgeting

Sub SubProgramme: 01 Administration and Support Services

Department: 003 Legal Services & Board Affairs

Budget Output: 000012 Legal advisory services

PIAP Output: Tax compliance improved through increased efficiency in revenue administration

Programme Intervention: 180103 Amend and develop relevant legal frameworks to facilitate resource mobilisation and budget execution.

| Indicator Name | Indicator Measure | Base Year | Base Level | 2023/24 | | Performance Targets |
|----------------|-------------------|-----------|------------|---------|----------------|---------------------|
| | | | | Target | Q2 Performance | 2024/25 |

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VI. VOTE NARRATIVE

Vote Challenges

Tax expenditures in the form of exemptions, allowances rate reliefs, credits, and deferrals have over time led to increased revenue being foregone. Potential revenue to be foregone for this FY 2024/25 UGX. 2.881 Trillion.

Lack of data standards across MDAs which affects the desired integration and exchange of information.

Low levels of automation in some MDAs affecting efficient data exchange for revenue mobilization.

Low staff salaries which partly contributes to increased staff attrition. It takes a long to build capacity to replace the lost staff thus destabilizing revenue mobilization efforts.

Current structure and staff numbers hinder effective implementation of the Domestic Revenue Mobilization Strategy (DRMS) objective i.e. to lift the capacity of the revenue administration to raise revenue in an economically efficient way.

Plans to improve Vote Performance

Structural review

New performance management system:

Tax-payer ledger improvement/transformation.

Centralized management of Cargo to reduce revenue leakage.

Digital stamp harmonization.

Development of an e-commerce platform to monitor gambling and online business to improve compliance in those sectors.

Improve retooling, IT infrastructure & Management.

Implementing modernized tax systems

Establishment of a tax academy

Expediting the IFMS- URA Full Integration

Implementation of National Payment System Gateway for Enhanced Tax.

Collection Efficiency

Resolving the issue of Export Levy on Minerals

Rationalization and Repackaging of the Tax Expenditure.

VII. Off Budget Support and NTR Projections

Table 7.1: Off Budget Support by Project and Department

N/A

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Table 7.2: NTR Projections(Uganda Shillings Billions)

N / A

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VIII. VOTE CROSS CUTTING POLICY AND OTHER BUDGETARY ISSUES

Table 8.1: Cross- Cutting Policy Issues

i) Gender and Equity

| | |
|------------------------------------|---|
| OBJECTIVE | Reduce Gap in Gender sensitivity in Tax Education, Promote Gender responsiveness, Promote Gender Sensitivity |
| Issue of Concern | Gap in Gender sensitivity in tax education Gap on Gender responsiveness |
| Planned Interventions | - Carry out region-based consultations with trade communities on tax reforms (informal sector), -Carry out region-based consultations with trade communities on tax reforms (informal sector), Conduct Tax education targeting women in Business, Tax Clinics |
| Budget Allocation (Billion) | 0.200 |
| Performance Indicators | 4 |

ii) HIV/AIDS

| | |
|------------------------------------|--|
| OBJECTIVE | Improve support to staff and their family members affected with HIV/AIDS |
| Issue of Concern | Requirement for extra financial support over and above the general medical insurance to cater for staff and their family members affected by HIV/AIDS to cover unforeseen infection effects. |
| Planned Interventions | Provide a special fund to cater for staff and their family members affected with HIV/AIDS. |
| Budget Allocation (Billion) | 0.560 |
| Performance Indicators | 100% |

iii) Environment

| | |
|------------------------------------|---|
| OBJECTIVE | Improve staff knowledge on preserving the environment, climate change mitigation and adaption |
| Issue of Concern | Some staff do not appreciate the importance of preserving the environment, climate change and climate mitigation |
| Planned Interventions | <ul style="list-style-type: none"> • Conduct 4 sensitizations to staff on environmental protection. • Procure sanitary and disposal services. • Carryout 4 climate change and climate change adaptation campaigns. |
| Budget Allocation (Billion) | 1.000 |
| Performance Indicators | 100% |

iv) Covid

N / A

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IX. PERSONNEL INFORMATION

Table 9.1: Staff Establishment Analysis

| Title | Salary Scale | Number of Approved Positions | Number of filled Positions |
|---|--------------|------------------------------|----------------------------|
| Assistant Commissioner Enforcement | RO3 | 1 | 0 |
| Assistant Commissioner IT Infrastructure & Operations | RO3 | 1 | 0 |
| Commissioner Legal Services & Board Affairs | RO2 | 1 | 0 |
| Fleet Assistant | RO7 | 24 | 11 |
| Manager | RO4 | 110 | 74 |
| Office Assistant | RO7 | 13 | 9 |
| Officer 1 | RO6 | 2,555 | 2,322 |
| Supervisor | RO5 | 316 | 263 |

VOTE: 141 Uganda Revenue Authority (URA)**Table 9.2: Staff Recruitment Plan**

| Post Title | Salary Scale | No. Of Approved Posts | No. Of Filled Posts | No. Of Vacant Posts | No. Of Posts Cleared for Filling FY2024/25 | Gross Salary Per Month (UGX) | Total Annual Salary (UGX) |
|---|--------------|-----------------------|---------------------|---------------------|--|------------------------------|---------------------------|
| Assistant Commissioner Enforcement | RO3 | 1 | 0 | 1 | 1 | 14,398,082 | 172,776,984 |
| Assistant Commissioner IT Infrastructure & Operations | RO3 | 1 | 0 | 1 | 1 | 14,398,082 | 172,776,984 |
| Commissioner Legal Services & Board Affairs | RO2 | 1 | 0 | 1 | 1 | 23,951,205 | 287,414,460 |
| Fleet Assistant | RO7 | 24 | 11 | 13 | 13 | 1,797,600 | 280,425,600 |
| Manager | R04 | 110 | 74 | 36 | 36 | 62,135,605 | 3,834,654,480 |
| Office Assistant | RO7 | 13 | 9 | 4 | 4 | 1,797,600 | 86,284,800 |
| Officer 1 | RO6 | 2,555 | 2,322 | 233 | 233 | 31,300,464 | 10,939,512,168 |
| Supervisor | RO5 | 316 | 263 | 53 | 53 | 41,095,726 | 3,733,840,248 |
| Total | | | | | 342 | 190,874,364 | 19,507,685,724 |