



PRESS STATEMENT

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CSOS CONDEMN MPS' INSINCERITY AND SELF-CENTEREDNESS ON INCOME TAX EXEMPTIONS



Left Ms. Jane Naluga-SEATINI UGANDA, Mr Patrick Tumwebaze, Mr Jeff Wadullo-Jenga Afrika, Mr Julius Kapwepwe-UDN, Ms Carol Namagembe-CSBAG and Mr. Everest Kayondo at the press conference CSOS condemn MPS' insincerity and self-centeredness on income tax exemptions hosted at Uganda Debt Network on 17th April 2016. | © CSBAG 2016

We members of Civil Society, including Uganda Debt Network (UDN), SEATINI and Civil Society Budget Advocacy Group (CSBAG) hereby express our disappointment with Members of the 9th Parliament over their move to amend the Income tax (Amendments) Bill, 2016, to exempt their benefits and allowances from being taxed.

This move comes at a time when on 4th February 2016, the Commercial Court had ordered the Parliamentary Commission to deduct tax from M.P's emoluments. Rather than complying with the court order, the MPs, in indecent haste, have gone ahead to misuse their legislative powers to nullify the court ruling through this amendment.

It should be noted that the country is struggling to look for additional revenue (from domestic sources) to finance a number of key priorities in the national budget. It is a total shame that the members of Parliament are making such a move, at a time when the cancer Institute at

(Handwritten signatures in blue ink)



Mulago hospital is urgently looking for funds to replace the only cancer machine in the country to save the lives of poor Ugandans who cannot afford to be treated from abroad.

Given the tremendous challenges the country is facing, we abhor these underhand methods and the insensitivity of our legislators to the plight of their fellow citizens. MPs are supposed to lead by example and to be trustees of the people's interests. This move is a betrayal of this trust especially given the fact that other tax payers who earn less are taxed by URA.

Implications of this move

If this bill is assented to by the President, Uganda will lose about UGX 41.58bn additional revenue annually (i.e. about 9 million per MP per month). If this money was generated, it can help Government address some of the most pressing needs. Below are some of these areas:

Local Government

- This money can finance Napak Local Governments for the next 4 financial years. Since the total district budget for Napak for FY 2015/16 currently stands at 11.3billion.

Health

- This money can close the funding gap in Ministry of Health's FY 2016/17 of UGX 36bn to recruit 3542 health workers for General Hospitals.
- Nyamwegatira Health Centre III in Kanungu district currently receives a UGX 6,893,220 per year out of the proposed 13,450,000/=. If these funds are realized, it would fund – 6,032 Health centres IIIs in a year.

Education

- In the Education Sector, this money can comfortably pay a monthly salary of 101,878 primary school teachers.
- Fill the funding gap of Shs.1.75bn required for the industrial court for its efficient operations during Financial Year (FY) 2016/17.

Agriculture

- The newly created Directorate of Agricultural Extension Services needs an additional UGX 0.928 billion for Wage and Operational Expenses for the newly created
- Fill funding gap amounting to Ugx 2bn to revitalize the Cooperatives
- Kick start the Cooperative Bank at the cost of UGX 35Bn which has not materialized to date for over 3 years

Conclusion

We call upon the MPs to rethink this move for the sake of our people. They should also be aware that this move will compromise their oversight role.

We also call upon all citizens of Uganda to join us in this campaign to ensure that Ugandans are not denied of their rightful taxes that are crucial for government to provide social services and infrastructure.

We shall also seek Court redress through Public Interest Litigation.



We call upon the President of the Republic of Uganda to disassociate himself from this move by rejecting to assent to this Bill to save Ugandans billions of tax payer's money and to contribute to domestic revenue generation envelope.

For God and my country

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