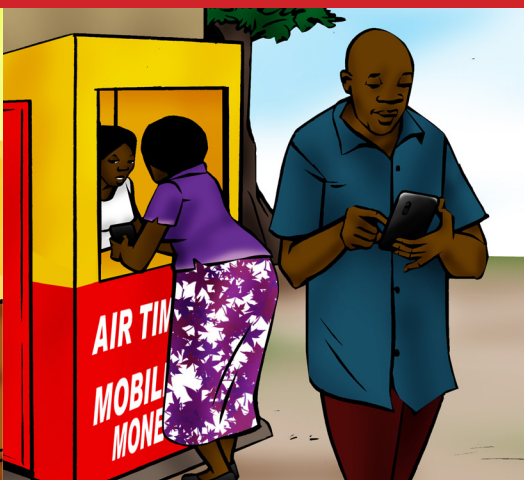


Otim The Tax payer



# A DAY IN THE LIFE OF A UGANDAN TAXPAYER FY 2022/23





**Note :These are just indicative tax rates in a day in the daily life of a taxpayer.**

### Tax on water, electricity and soap

The water, electricity, soap and toilet paper Jacob uses, attracts a Value Added Tax (VAT) of 18% each.

Assuming Jacob incurs a monthly cost for:

- (a) water of UGX. 30,000/=
- (b) electricity of UGX. 50,000/=
- (c) 4 bars of soap at UGX. 32,000/=
- (d) 10 toilet paper rolls at UGX. 10,000/=

### FACTS:

Based on the above expenditure, Jacob pays monthly total VAT of:

- (a) UGX. 4,881/= on water
- (b) UGX. 8,085/= on electricity
- (c) UGX. 4,881/= on soap
- (d) UGX. 2,288/= on toilet paper rolls.

On a monthly basis, he pays UGX. 20,136/=.

**Annually, Jacob pays a total of UGX.241,627/= in taxes on all these items.**

### Tax on Toothpaste

#### Scenario One:

The toothpaste is manufactured outside East African Community (EAC), the taxes he would have to pay include:

- (a) import duty (35%);
- (b) VAT (18%),
- (c) withholding tax (6%) and
- (d) infrastructure levy (1.5%) to finance the railway construction.

#### Scenario Two:

The toothpaste is manufactured in one of the EAC member state for instance Kenya, Jacob would have to pay:

- (a) import duty (0%),
- (b) VAT (18%),
- (c) withholding tax (6%).

However, Jacob predominantly uses toothpaste within the EAC region.

He spends a total of UGX. 8,000/= to buy 2 packs of toothpaste in a

month (each at UGX. 4,000/=)

### FACTS:

Jacob pays:

- (a) UGX. 0 import duty,
- (b) UGX. 610/= as VAT and
- (c) UGX. 227/= as withholding tax.

Total: UGX. 837/= on each box.

Therefore, he spends UGX 1,673/= on both boxes

**Annually, Jacob pays a total of UGX. 20,078/= in taxes**

**Scenario One:**

If the sugar Jacob puts in his tea is locally manufactured in Uganda, he pays the following taxes:

- (a) Excise Duty of UGX. 100/= per kg
- (b) VAT (18%).

**Scenario Two:**

If the sugar was imported, it attracts the following taxes:

- (a) import duty (72%)
- (b) withholding tax (6%).

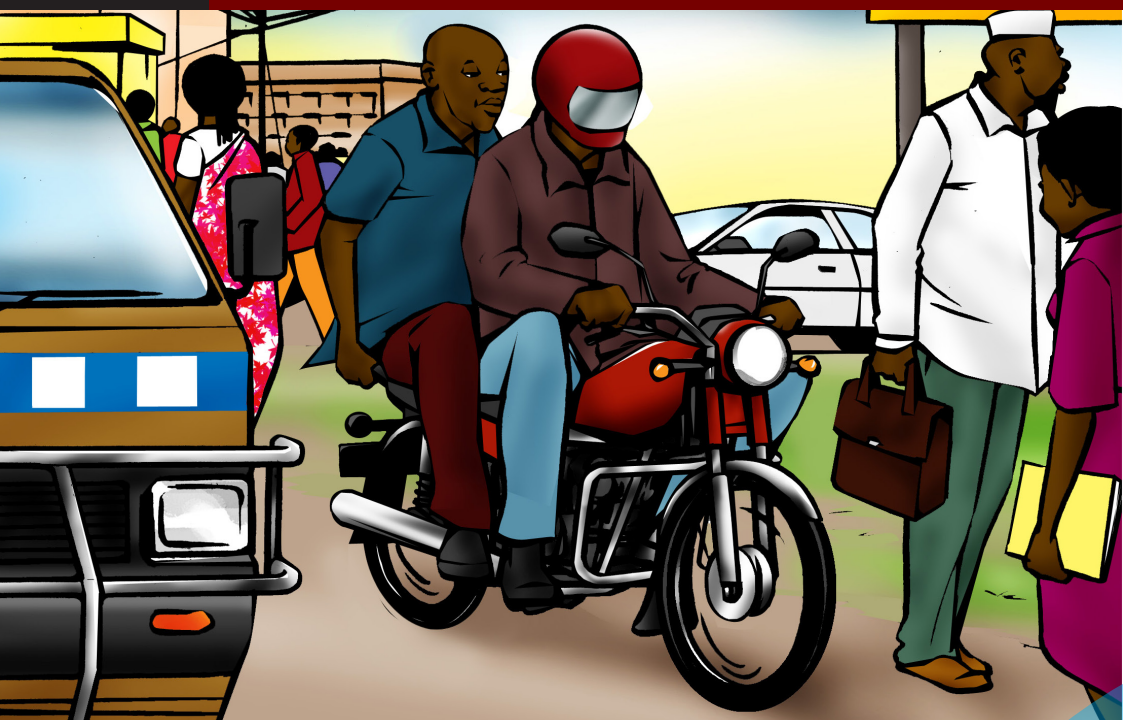
However, he consumes 1kg of sugar in a week, therefore 4kgs in a month. He predominantly buys locally manufactured sugar at UGX. 4,000/=

**FACTS:**

He will incur UGX. 2,841/= in taxes on sugar on a monthly basis.

**Annually, he pays a total of UGX. 34,088/= in taxes on sugar.**

**7:30am-8:00am:** Otim Jacob is a businessman. He owns a shop in Soroti main market. He uses boda boda as his means of transport to go for and return from his work place.



#### Scenario One:

Using boda boda as a means of transport, Jacob is indirectly charged taxes levied on fuel (excise duty). Due to the high fuel prices, Jacob now spends UGX. 8,000/= on transport to and from his work place daily.

#### Scenario Two:

In the event that Jacob was using his own private means (Toyota Corolla) to work, he would probably spend UGX 1,450/= per litre as excise duty. In addition to the above, Jacob would incur the following taxes at importation of his Toyota Corolla Axio (station wagon) 2010 model from Japan

|  |            |
|--|------------|
| • Import Duty                                  | 5,124,363  |
| • Value Added Tax (VAT)                        | 4,611,927  |
| • Withholding Tax                              | 1,229,847  |
| • Environmental levy (car older than 10 years) | 10,248,276 |
| • Infrastructure tax                           | 307,462    |
| • Stamp Duty                                   | 35,000.00  |
| • Form fees                                    | 18,000.00  |

Plus, Registration fees UGX. 1,518,000/= However, he predominantly uses bodaboda on his way to work.

## FACTS:

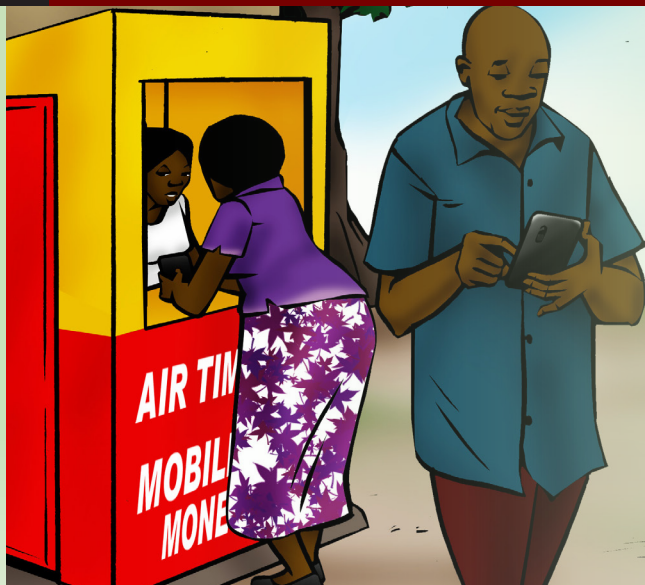
#### Scenario One:

Assuming that the boda boda man spends about UGX 3,800 in petrol for a route he charges at UGX 8,000, then it is estimated that Jacob pays about UGX 21,192/= in taxes per month on fuel.

**Annually, he pays UGX. 254,308/= in taxes on transport**



**8:15am:** On his way to work, Otim Jacob stops at a mobile Kiosk to load airtime on his smart phone



The taxes Jacob has to pay that are associated with owning a phone/ smart phone that cost him UGX. 450,000 upon purchase include:

- (a) Import duty (25%)
- (b) Value Added Tax (18%)
- (c) Withholding Tax (6%) which is reclaimable
- (d) infrastructure levy (1.5%)

The taxes he has to pay that are associated with purchase of his UGX. 30,000/= airtime per month are: (a) Excise tax on mobile use cellular (12%)  
(b) VAT (18%)

### Internet subscription

Jacob spends 30,000/= per month on data to be updated on social media and also catch up with friends and families. He is 12% Local Excise Duty on internet data

Mobile money transactions Excise duty (0.5%) on all withdrawals. On a monthly basis, he sends UGX. 100,000/= to his mother for upkeep. He tops up the mobile money tax of 0.5% charged on withdrawals.

## FACTS:

Purchasing of a mobile phone:

- Import duty 90,000/=
- Value Added Tax 82,373/=
- Withholding Tax 25,472/=
- Infrastructure levy, 6,650/=

On a monthly basis, he spends;

- (a) UGX. 7,300/= on taxes related to purchase of airtime.
- (b) UGX. 3,214/= for being on internet.
- (c) UGX. 500/= as tax on withdrawals.

**Annually, Jacob pays a total of UGX. 336,669/= in taxes related to purchase of the phone, internet data, airtime and expenses on mobile money withdrawals.**



Jacob owns a general wholesale shop dealing in ox ploughs and related merchandise. He pays Local Service Tax (LST) on an annual basis and incurs other expenses in form of fees and license. On a daily basis, he pays UGX.1,000/= for garbage collection

## FACTS:

- ☐ He has experienced an increase in sales over the gross turnover of Jacob's wholesale is approximately UGX 45,000,000 in a year and he religiously keeps his business records, he pays UGX 155,000 to URA as presumptive tax annually.
- ☐ UGX. 60,000/= for trading License per year.
- ☐ Jacob pays UGX. 20,000/= as Local Service Tax
- ☐ Assuming Jacob works 6 days a week, he will pay UGX. 312,000/= in a year as garbage collection fee.
- ☐ Jacob also pays Uganda National Bureau of Standards (UNBS) a fee on weighing scale UGX. 50,000/= on annual basis basing on the position of the weighing scale

1:00pm Otim Jacob having lunch



He buys mineral water during lunch time of UGX. 1,000/= which attracts VAT (18%) and Excise duty (10%). Jacob also drinks a particular brand of juice at 1,500/= in the afternoon normally three days in a week. Juice attracts excise duty of 15% and VAT of 18%.

## FACTS:

He will pay:

- (a). UGX. 6,402/= in VAT
- (b). UGX. 3,839/= as Excise duty for both water and juice

If he works six days in a week, he will pay a total of UGX 10,245/= on a monthly basis in taxes.

**On an annual basis he pays approximately UGX. 122,946/= in taxes**

6:00pm On his way home Otim Jacob buys some groceries



He buys a loaf of bread at 5000/= which attracts VAT at 18% and he does this three times in a week  
He does also buy 3 liters of cooking oil at 31,000/= which attracts VAT at 18% and Excise duty of 200/= @liter  
Otim Jacob also buys a kilogram of margarine to apply on the bread at 14000/= every two weeks which also attracts VAT of 18%.

## FACTS:

On a monthly basis, Jacob pays  
UGX. 9153/= taxes on bread  
UGX. 5329/= taxes on cooking oil  
UGX. 4271/= taxes on groceries

**Annually Jacob pays UGX. 225,031/= taxes on groceries**

Through his savings, Jacob managed to put up some rental property next to his home area.

From his property, he earns Shs.5, 000,000 per annum. He incurs expenses which include: security guard (1,000,000), repairs (500,000) and interest on mortgage is 600,000. However due to the recent changes in the tax laws, he is only allowed UGX2,820,000 as expenses for an individual rental taxpayer.

## Facts

Jacob will incur 261,600/= in annual rental taxes.

### SUMMARY OF TAXES PAID BY JACOB



| #  | Items                             | Taxes         |                  |
|----|-----------------------------------|---------------|------------------|
|    |                                   | Monthly       | Annually         |
| 1  | Water, electricity and soap       | 20,136        | 241,627          |
| 2  | Tooth paste                       | 1,673         | 20,078           |
| 3  | Sugar                             | 2,841         | 34,088           |
| 4  | Transport on a boda boda          | 21,192        | 254,308          |
| 5  | Purchasing of a mobile phone      |               | 204,495          |
| 6  | Purchase of airtime               | 7,300         | 87,600           |
| 7  | Social media                      | 3,214         | 38,568           |
| 8  | Mobile money withdrawals          | 500           | 6,000            |
| 9  | Presumptive Tax                   |               | 155,000          |
| 10 | Local Service Tax                 |               | 20,000           |
| 11 | Mineral water                     | 10,245        | 122,946          |
| 12 | Groceries (Bread and cooking oil) | 4,271         | 225,031          |
| 13 | Other Costs                       |               |                  |
| 14 | Rental Tax                        |               | 261,600          |
| 15 | Trading licence                   |               | 60,000           |
| 16 | Garbage fee                       |               | 312,000          |
| 17 | Weighing Scale                    |               | 50,000           |
|    | <b>Grand Total</b>                | <b>71,372</b> | <b>2,093,341</b> |

**Pay Your Taxes, Demand for Accountability.  
Speak Up! Engage!**