

**ACTS SUPPLEMENT**

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**Act 32**

*Finance Act*

**2006**

THE FINANCE ACT, 2006

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ARRANGEMENT OF SECTIONS

PART I—FEES PAYABLE UNDER THE TRAFFIC AND  
ROAD SAFETY ACT, CAP. 361

1. Substitution for fees payable under the Traffic and Road Safety Act.

PART II—REMISSION OF GOVERNMENT ARREARS OF TAXES

2. Remission of Government arrears of taxes.

PART III—ENVIRONMENTAL LEVY

3. Imposition of environmental levy.

PART IV—AMENDMENT OF TRAFFIC AND ROAD SAFETY ACT

4. Amendment of section 17 of the Traffic and Road Safety Act.

PART V—REPEAL OF REDUNDANT TAXATION ENACTMENTS

5. Repeal of certain redundant taxation enactments.

**SCHEDULES**

FIRST SCHEDULE—	Fees Payable Under The Traffic And Road Safety Act, 1998 (Cap. 361)
SECOND SCHEDULE—	Environmental levy
THIRD SCHEDULE—	Redundant taxation enactments

**THE FINANCE ACT, 2006.**

**An Act to provide for the imposition of an environmental levy on used motor vehicles and home appliances, remission of tax arrears owed by Government, alteration of the fees under the Traffic and Road Safety Act, and to provide for the miscellaneous repeals of certain enactments relating to taxation which are no longer needed; and for other related purposes.**

DATE OF ASSENT: 2nd December, 2006.

*Date of Commencement:* 8th December, 2006.

BE IT ENACTED by Parliament as follows:

**PART I—FEES PAYABLE UNDER THE TRAFFIC AND ROAD SAFETY ACT, CAP. 361**

**1. Substitution for fees payable under the Traffic and Road Safety Act**

The fees specified in the First Schedule to this Act which are payable under the Traffic and Road Safety Act shall be paid in respect of the licenses and services correspondingly specified in that Schedule.

**PART II—REMISSION OF GOVERNMENT ARREARS OF TAXES**

**2. Remission of Government arrears of taxes**

(1) All arrears of import duties, excise duties, value added tax and withholding tax owed by Government to Uganda Revenue Authority are remitted.

(2) The remission under subsection (1) includes arrears of value added tax of local authorities where Government committed to meet the tax.

(3) The remission under subsection (1) does not include arrears of tax withheld from—

- (a) a payment of employment income under section 116 of the Income Tax Act; and
- (b) a supplier of goods or services or both under section 119(1) of the Income Tax Act.

### PART III—ENVIRONMENTAL LEVY

#### **3. Imposition of environmental levy**

(1) There is imposed an environment levy on every person who imports motor vehicles of eight years or older or used household appliances.

(2) The levy shall be payable at the rates prescribed in the Second Schedule to this Act.

(3) The value of the motor vehicles under subsection (1) shall be the value ascertained for the purposes of customs duty under the laws relating to customs.

(4) The levy shall be collected by Uganda Revenue Authority before clearance of the goods through customs.

### PART IV—AMENDMENT OF THE TRAFFIC AND ROAD SAFETY ACT

#### **4. Amendment of section 17 of the Traffic and Road Safety Act Cap 361**

Section 17 of the Traffic and Road Safety Act is amended by inserting immediately after subsection (3) the following—

“(4) Where the licensing officer is satisfied that the owner of the vehicle could not surrender the registration plates for reasons beyond the owner’s control, the licensing officer shall grant a waiver of the unpaid fees for the period the vehicle was not in use.

(5) Where the registration plates have been surrendered for non use, they will be kept by the licensing officer for a period not exceeding five years from the date of expiry of the licence and thereafter the owner shall apply for substitute registration plates on payment of a prescribed fee.”

PART V—REPEAL OF CERTAIN REDUNDANT TAXATION ENACTMENTS

**5. Repeal of certain redundant taxation enactments**

(1) The enactments specified in the Third Schedule to this Act are repealed.

(2) For the avoidance of doubt, the repeal of the enactments by subsection (1) shall not be taken as exempting any person from liability to tax or duty under any such enactment substituting before the commencement of this Act.

“FIRST SCHEDULE

FEES PAYABLE UNDER THE TRAFFIC AND ROAD SAFETY ACT 1998, Cap 361.

Part I—Licence Fees Payable

The annual licence fees payable are—

<i>Vehicle category</i>	<i>Licence fee payable</i>
(a) Motor Cycles	Shs 750 per cc of engine size
(b) Sedan cars, saloon cars, estate cars but excluding dual purpose goods passenger vehicles	Shs 260 per cc of engine size
(c) Passenger vehicles, including light omnibuses having seating accommodation not exceeding 28 passengers	Shs 240 per cc of engine size and medium omnibuses,
(d) Medium omnibuses and heavy omnibuses having seating accommodation for more than 28 passengers	Shs 115 per cc of engine size
(e) Ambulances, prison vans and hearses	Shs 65 per cc of engine size
(f) Goods vehicles( including dual purpose/ passenger vehicles) heavy, light goods vehicles	

<i>Engine size</i>	<i>Licence fee payable(shs)</i>
0-1000	130,000
1001-1500	160,000
1501-2000	210,000
2001-2500	240,000
2501-3000	310,000
3001-3500	370,000
3501-4000	420,000
4001-5000	470,000
5001-6000	530,000
6001-7000	580,000
Over 7001	630,000

**(g) Trailers and semi trailers**

<i>Gross vehicle weight (kgs)</i>	<i>Licence fee payable (Shs)</i>
0-1000	70,000
1001-2000	100,000
2001-3500	130,000
3501-5000	200,000
5001-7500	290,000
7501-10000	370,000
10001-20000	450,000
20001-30000	520,000
30001-40000	570,000
Over 40001	620,000

**(h) Prime movers and recovery vehicles**

<i>Engine sizes(c.c)</i>	<i>Licence fee payable(shs)</i>
0-2500	210,000
2501-5000	420,000
5001-10000	590,000
Over 10000	630,000

**(i) Agricultural tractors**

<i>Net vehicle weight(kgs)</i>	<i>Licence fee payable(shs)</i>
0-3000	20,000
Over 3000	50,000

**(j) Agricultural trailers**

<i>Gross vehicle weight(kgs)</i>	<i>License fee payable(shs)</i>
0-3000	20,000
3001 and above	40,000

**(k) Engineering plant,tractors and other related vehicles**

<i>Engine size(c.c)</i>	<i>Licence fee payable</i>
0-3000	285,000
3001-5000	335,000
5001-7000	515,000
Over 7001	675,000

## (l) Omnibus operator's vehicle licence

<i>Type of Vehicle</i>	<i>Licence fee payable</i>
Heavy omnibus over 60 passengers	150,000
Medium omnibus 21 - 60 passengers	100,000
Light omnibus 7 - 20 passengers	50,000

## (m) Type of Vehicle

PMO Heavy omnibus over 60 passengers	150,000
PMO Medium omnibus 21-60 passengers	100,000
PMO light omnibus 7-20 passengers	50,000

## (n) Type of Vehicle

Towncab/small car	30,000
Tourist omnibus over 60 passengers	80,000
Tourist omnibus 21-60 passengers	50,000
Tourist omnibus 7-20 passengers	40,000
Trucks	50,000
Pick-Ups	20,000
Motor cycle	10,000

A license issued for a motor vehicle, trailer or engineering plant on first registration shall be for a period of one year.

## PART II—FEES FOR VARIOUS DOCUMENTS AND SERVICES

<i>Item</i>	<i>Fees(Shillings)</i>
1. Registration fees for motor vehicles	100,000
2. Re-registration fees for motor vehicles	70,000
3. Registration fees for motor cycles	95,000
4. Re-registration fees for motor cycles	40,000
5. Registration fees for personalised number plate vehicles	3,000,000
6. Registration fees for personalised number plate for motor cycles	500,000
7. Alteration of particulars motor vehicles (each item)	10,000
8. Certified copies of record	10,000
9. Search fees	10,000
10. Dealers motor vehicle licence per year	150,000
11. OTV Licence	
(a) Commercial vehicles not exceeding two tons loading capacity	60,000
(b) Commercial vehicles exceeding two tons loading capacity	150,000

12. Transfer fees	
(a) Motor cycle	30,000
(b) Motor cars and other dual purpose vehicles, excluding light goods vehicles	40,000
(c) Other motor vehicles, trailers, tractors or engineering plant	60,000
13. Duplicate receipt and other licence certificate	10,000
14. Duplicate registration book	10,000
15. Duplicate driving permit	25,000
16. Vehicle examination fees (Inspection fees)	
(a) Motor Cycles	2,000
(b) Motor cars and other dual purpose vehicles, excluding light goods vehicles	5,000
(c) Other motor vehicles, trailers, tractors or engineering plant	5,000
(d) Agricultural tractors	3,000
17. Driving permits (Original)	
(a) one year	25,000
(b) three years	45,000
Driving permit(renewal)	
(a) one year	20,000
(b) three years	30,000
18. Driving permit exchange	
(a) One year	25,000
(b) Three years	45,000
19. Driving permit provisional	10,000
20. Accident report	50,000
21. Sketch plan	15,000
22. Test fees (per class)	18,000
23. Endorsement of third party interest	30,000
24. Extension (per class)	20,000
25. Duplicate order form	10,000
26. Form fees (per form)	5,000



**Act 32***Finance Act***2006**

27.	Order form (set)	4,000
27.	Cancellation fees	10,000
28.	De-registration for export	
(a)	Motor cycles	150,000
(b)	Station wagon	300,000
(c)	Saloon vehicles	250,000
(d)	Commercial vehicles	350,000
(e)	Agricultural tractors	2,000,000
(f)	Omnibus	300,000
(g)	Engineering plant and other related vehicles	1,500,000
(h)	Agricultural trailer	500,000

## ENVIRONMENTAL LEVY

Section 3

(a) Motor vehicles (excluding goods vehicles)- which are 8 years old and above	Ushs. 10%
(b) Fridges	50,000
(c) TVs	50,000
(d) Cookers	50,000
(e) Radios	30,000
(f) Others household appliances	20,000.

## REDUNDANT TAXATION ENACTMENTS

## Repeal of redundant enactments

1. The Customs and Excise Act, Cap. 335.
2. The Customs (Dumping and Subsidies Rates) Act, Cap. 336.
3. The Customs Tariff Act Cap. 337.
4. The Customs Management Act, Laws of the Community, 1970 Revision, Cap. 27.
5. The Local Industries (Refund of Customs Duties) Act, Cap. 341.
6. Sections 1 and 3 of the Finance Act, 1989, Cap. 177.
7. The Second Schedule to the Finance Act, 1989.
8. Section 3 of the Finance Act, 2001, Act No 1 of 2001.
9. The First Schedule to the Finance Act, 2001.
10. Section 2 of the Finance Act, 2002. Act No 1 of 2002
11. The First Schedule to the Finance Act, 2002 ,
12. Section 2 of the Finance (No.2) Act, 2002, Act No 28 of 2002
13. The First Schedule of the Finance (No. 2) Act, 2002,
14. Section 2 of the Finance Act, 2003, Act No 2 of 2003
15. The Second Schedule to the Finance Act, 2003.
16. Section 2 of the Finance Act, 2005, Act No 2 of 2005
17. The First Schedule to the Finance Act, 2005.

**BILLS SUPPLEMENT**

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**Bill No. 10**

*Finance Bill*

**2006**

THE FINANCE BILL 2006.

**MEMORANDUM.**

The object of this Bill is to provide for the imposition of an environmental levy on used motor vehicles and home appliances, remission of tax arrears owed by Government, alteration of the fees under the Traffic and Road Safety Act, Cap. 361 and to provide for the miscellaneous repeals of certain enactments relating to taxation which are no longer needed and for other related purposes.

DR. E. SURUMA,  
*Minister of Finance, Planning and Economic Development.*