

KCCA halts collection of taxi revenue arrears

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Kampala Capital City Authority (KCCA) has temporarily halted its demand of sh4b arrears from commuter taxi drivers.

The move is a result of commuter taxi drivers declining to pay sh120,000 monthly fees for the months of August, September and October. They alleged that President Yoweri Museveni ordered that the fees be scrapped and instead an annual licence be calculated and paid once a year.

On July 22, Museveni wrote to the Prime Minister, Dr. Ruhakana Rugunda, directing that government agencies should not overtax informal sector players, saying these groups should only pay annual licences.

The letter was also copied to the Vice-President and Auditor General, as well as the finance, local government and Kampala ministers.

Addressing taxi operators under their joint umbrella association, Kampala Operational Taxi Stages Association (KOTSA), the KCCA commercial road user's manager, Robert Mugangaizi, said the authority had halted the collection of the sh4b arrears and will first consult cabinet on whether they should collect the debt or not.

He, however, clarified that taxi operators will have to start paying the sh120,000 monthly tax starting this November to KCCA bank accounts to enable service delivery.

Mugangaizi further explained that the Kampala and local government ministers agreed with the prime minister that if the President's letter is implemented, it would affect service delivery.

He added that the Kampala minister and the Cabinet agreed that the drivers continue paying taxes until July next year to allow the authority complete the formulation of the 2018-19 city budget.

"The President's suggestions came when KCCA was already drafting its next budget. The Government was



Taxi drivers during a meeting with KCCA and the local government at Old Kampala mosque on Thursday. Photo by Lawrence Mulondo

OPERATORS SPEAK OUT

Murshid Kakooza, Buloba stage

We should not give KCCA any reason to kick us out of the city, the Government can decide to throw us out on claims of refusing to pay taxes. I advise fellow drivers to pay taxes in order to operate business in the city peacefully.

Bernard Tamale, Kayabwe stage

The President should send another communication to clarify on the payment of fees to KCCA.

Tonny Kintu, Luwero stage

I will only pay taxes if KCCA gives us 25% of the taxes collected for our SACCOS.

not ready to financially close the gap that would be created by taxi drivers' tax exemption," he explained.

KCCA's move to halt the arrears collection and the demand for the November revenue raised mixed reactions from drivers, as some welcomed it and others objected.

KOTSA chairperson Yasin Sematimba said: "We are not objecting to paying revenue in the past months, but we were following the President's directive that halted the collections."

Sematimba, however, expressed concern over how KCCA field officers handle taxpayers, especially taxi

drivers, saying their customer care is wanting.

However, the Ministry of Local Government revenue inspection commissioner, Yasin Ssendawula, said taxi drivers have, for long, been complaining about high taxes, yet many of them are defaulters.

"The Transport Licensing Board has 34,000 registered commuter taxis countrywide, but only 15,000 pay for Passengers Service Van licences and only 4,000 pay income taxes," he explained. He said KCCA has 2,000 registered commuter taxis, but only 1,000 are paying taxes to KCCA.