

business

URA working towards broadening tax base - Commissioner General

Drive. Tax body is bringing informal businesses into the tax bracket.

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KAMPALA. Uganda Revenue Authority (URA) has joined the race to end the informal way of doing business in a move to widen the narrow tax base.

Majority of businesses in the country are informal. This makes it hard for the tax collectors to have them within the tax bracket.

According to Uganda Bureau of Statistics, informal businesses are normally characterised by: lack of proper books of accounts, having less than five employees, no fixed location, in most cases not registered and sometimes such businesses are operational for only six months or less.

Speaking last week at *Daily Monitor* offices in Kampala where she had paid a courtesy visit, URA Commissioner General Doris Akol said the tax body is doing its part in formalising the economy, particularly having informal sector register their businesses.

She said: "We are trying our best to formalise the informal sector, but this is something we cannot do alone."

She added: "We are looking at how we can further that conversation—formalising the informal sector, and we would like



Monitor Publications Limited managing director Tony Glencross (L) and URA Commissioner General Doris Akol shake hands after exchanging gifts. This was at *Daily Monitor* offices in Kampala last week. PHOTO BY ALEX ESAGALA

to be part of that discussion that will see our economy formalised."

The tax policy measures for financial year 2015/16, intended to increase revenue collections by roping in the informal sector and other hard-to-tax areas into revenue bracket will see businesses in

informal sectors paying some taxes, no matter how small.

The measures, which empower URA to collect and widen the tax base, are also aimed at encouraging compliance, reducing the cost of doing business for small scale businesses through simplified tax processes.

In support, Monitor Publications Limited managing director Tony Glencross, said: "We believe that paying taxes is a duty."

He continued: "We insist that all our suppliers and people we do business with have a TIN—Tax Identification Number."

THE MEASURES

URA has also collaborated with Kampala Capital City Authority and Uganda Registration Services Bureau in a move meant to capture informal sector into the tax bracket.

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