

Irene Ntale, a local artiste, entertaining guests in Kampala. A new app has been developed to help such musicians to promote their songs as well as pay taxes to the Government

Music industry ripe to rake in taxes – promoter

By Edward Kayiwa

For a number of years now, the Government has focused on building infrastructure such as roads, power dams, schools and health facilities to drive the country into a lower middle income economy by 2020.

This means the Government has to find sources of financing from domestic sources and development partners to fund its programmes.

In the 2017/18 financial year, total government expenditure is estimated at sh29 trillion, with the Uganda Revenue Authority (URA) expected to collect sh15 trillion.

However, the taxman has to deal with a narrow tax base, with effort to expand the tax book last financial year not yielding much, as it fell short of its target. According to the finance ministry, URA missed its annual 2016/17 collection target by sh457b.

The music industry, whose potential to contribute to tax revenue, job creation and investment has not been tapped, could have made a significant rise in tax revenue collection.

According to Julius Kyazze, a Swangz Avenue musician and promoter, the music industry has developed an application that could earn the Government millions of shillings in tax revenue, while improving the welfare of musicians.

"For long, we in the music industry have not made any significant contribution to national development. But as we professionalise the industry, we believe it is time to start paying taxes and at the same time earn decently from our sweat," he said while launching the Sauteez music application in Kampala last week.

Big plan

Kyazze said once fully operationalised, the app will carry all Ugandan music, and will be the only purchase point, with each song going for sh1,000 locally, and $1(sh3,616) in the diaspora markets.

Kyazze said uploading the music is free of charge for the musicians and as long as the patent laws are fully enforced both the Government and the music fraternity will benefit.

"When someone buys the music, the Government automatically takes 18% because the system has been programmed. The musician takes 60% and the remaining 22% is retained for maintenance of the app," he said.

BETWEEN THE LINES

Stakeholders believe the music industry has the potential to earn the country as much revenue as coffee, tea, cotton and flower exports, once given due attention.

He added that once the industry is more professional at home, it would be respected outside and attract more investment and growth internationally.

Kyazze explained that the payments are integrated on both mobile money and debit and credit cards in Uganda and abroad, to ease payments.

According to their umbrella organisation, the Uganda Musicians' Association, the country boasts of more than 500 musicians, with more than two million records produced over the last five years.

"Uganda is estimated to have 672,000 people living in the diaspora, and if each of them bought a song from each musician (500) in a year, that would amount to $336m (sh 1.22 trillion). The Government would take $5.5m (sh19.35b) from the diaspora," he said.

He said this year, one of the Internet sites that allow free download of Ugandan music gave out 10 million downloads of six musicians by November, which if sold, would have fetched sh10b.

This, he said would have translated into sh1.8b in tax revenue.

He said the biggest challenge remains enforcement of the copyright laws, whose infringement is denying the country and musicians legitimate income.

According to the chief executive of the Uganda Performing Rights Society, James Wasula, there are many musicians and artistes with copyrighted works across the country, but they do not benefit because of infringement.

Currently, the app can be used on smart phones but will in time be integrated on feature phones, for those who do not have smart phones.

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