Caution to creatives on IP and taxation

On March 18 2026, Parliament of Uganda passed into law the Copyright and Neighbouring Rights (Amendment) Bill. The law was a landmark addition to the country's intellectual property laws for the digital era. The law introduces better royalty collection mechanisms for artists, harsher penalties for copyright violations, and new regulations for orphan works – creations whose copyright owners cannot be identified or located.

As the law awaits assent by the President, it is pertinent that we now ponder on its implications on the entertainment sector

My projection is that if enacted as is, the Bill will open up revenue streams for creatives that have hitherto been unavailable or difficult to achieve. But as the good Book saying goes, to whom much is given, much is expected. Creatives too, must rise to the challenge of making a great contribution to Uganda's economy.

This, in essence, is what government communicated in its tax proposals in several Bills of Parliament tabled last week.

Of these proposals, I shall only interest you in one —the Income Tax proposal for the financial year 2026/2027, and

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specifically those provisions relevant to creatives.

It would be inaccurate to claim that the creative sector has always eluded the reach of the taxman. On the contrary, taxation has applied in the form of business income whenever creatives are contracted to perform at events and concerts within and outside Uganda. Further, property income tax has applied to licensing of songs, royalty payments, brand and goodwill exploitation and other creative work IP based income. Any income generated from such "capital works" which ordinarily can be labelled as intellectual property of the creator or neighbouring beneficiaries is treated as property income by the tax man.

This income has always been taxable provided the artist, in the year of income (12 months from July 1 to June 30), earned above the non-taxable threshold of Shs2,820,000. An overwhelming majority of our artists earn this figure and more in any given year.

The question I often encounter is: why has the Uganda Revenue Authority (URA) not collected this tax if it has always applied? The answer lies in the principle of efficiency. Tax administrators like URA apply the least administrative costs in revenue collection, often avoiding tax bases whose returns are insignificant compared to overall targets.

However, with more successful creatives and the redefinition of the sector by digital platforms like TikTok, Spotify and other streaming apps, URA's agenda has considerably shifted.

It is now proposed that any person paying a public entertainer (broadly defined to include creatives) must withhold 6 percent of the gross payment and remit it to URA. The obligation lies on the payer, who becomes legally liable if they fail to remit that amount.

This requirement makes it easier for URA to collect taxes from entertainers. How? Once a withholding agent pays your 6 percent share of tax, the artist is required to file returns disclosing their full income, and, depending on their total earnings, they are required to pay the remaining share of taxes.

Will the creatives get away with it? Not anymore. The Bill also proposes higher income tax rates, meaning their remaining liability will depend on their income category. Further, it introduces a provision taxing any income earned abroad by a Ugandan taxpayer in the same way it would be taxed here. For entertainers performing outside Uganda, this provision will directly affect you.

Existing legal frameworks already empower enforcement. The government is, in my considered assessment, not introducing new liability but intensifying the application of existing provisions. To every creative reading this, your safest position is full compliance, secured through competent professional advice. Non-compliance invites not merely penalty but protracted legal entanglement with the tax authority—a risk no creative can afford. The stakes extend beyond you alone, but also, to those who sustain your work: your audience, your supporters, your community. Choose compliance not out of fear, but out of strategic self-preservation.

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