



# Tax Alert

**February 2026**

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**The Tax Appeals Tribunal ruled that URA should allow corrections to online objections submitted by taxpayers before issuing objection decisions**

## Introduction and Background

The taxpayer, a marketing and advertising company, filed an appeal against the URA following an additional income tax assessment arising from discrepancies between declared income tax sales and VAT returns.

Although the taxpayer objected to the assessed amount and provided the grounds for objection in the submitted electronic objection form, a clerical error in completing the form incorrectly indicated that the assessed amount was not in dispute.

The URA therefore issued a straightforward decision and upheld the assessment on the basis that the taxpayer had not disputed the assessed amount based on how the online objection form was completed.

## Submissions by Parties

### Taxpayer's Submissions

The taxpayer emphasized that failing to mark the assessed amount as disputed during the form completion process online was an oversight and did not reflect its actual position. The taxpayer explained that they had outlined their grounds of objection and submitted supporting reconciliations, management accounts, and explanatory notes to URA as evidence. They further requested for a meeting with the URA, which was not granted.



### **URA's Submissions**

URA argued that the taxpayer failed to declare income as required under the Income Tax Act, and that the objection form clearly reflected the assessed amount as a non-disputed amount. URA considered the taxpayer's later attempt to dispute the assessment as an afterthought which is not supported in law.

### **Ruling of the Tribunal**

The Tribunal noted the contradictions in the objection forms and held that URA should have rejected the objection form to allow the taxpayer to resubmit an accurate objection form. The tribunal directed URA to review the matter, focusing on the taxpayer's grounds of objection and supporting evidence provided, and issue an appropriate objection decision accordingly.

### **Key Takeaways**

- Taxpayers must ensure that objections filed through URA's online system reflect a clear and consistent position. Contradictions between form entries and supporting documentation may render an objection invalid.
- URA is obligated to reject invalid objections and allow taxpayers to correct them. The URA is also expected to address the substantive grounds of objections and to consider the taxpayer's documentation and explanations before issuing a decision.

