

Uganda Tax Datacard

2026/2027

Income tax – Corporations

	Rate %
Corporation rate	
Residents	30
Non-residents*	30
Digital Services Tax	5
Capital deductions	
Buildings	
Depreciation (straight line)	
Horticultural plant or greenhouse	20
Other	5
Plant and machinery	
Depreciation (reducing balance)	
Class 1	40
Class 2	30
Class 3***	20
Extractive sector	
Depreciable asset treated as mining exploration expenditure****	100
Depreciable / intangible asset treated as petroleum exploration expenditure	100
Others	
Intangible assets (straight line)	Over useful life
Start up costs depreciated on a straight line basis	25
Minor capital equipment with a cost base of less than UGX 1,000,000*****	100
Deductible expenditure for rental income is capped to 50% of gross rental income	
Tax losses can only be carried forward for a period of seven years following which 50% of available tax losses shall be carried forward	

*Chargeable income of a permanent establishment of a non-resident is subject to CIT at a rate of 30%. Chargeable income of a permanent establishment is computed based on the “separate enterprise” concept which attributes profits to the permanent establishment as if it were a separate entity distinct from its head office.

*15% tax on repatriated income in addition to CIT for a permanent establishment of a non-resident

*** Includes farmworks

****Acquisition cost of an intangible asset treated as mining exploration expenditure is allowed full deduction if the useful life of the asset is one year

*****Returnable containers do not qualify

Income Tax - Resident Individuals

Resident Individual monthly rate

Bands of taxable income – UGX	Tax Rate
Not exceeding 4,020,000 (335,000 pm)	Nil
Exceeding 4,020,000 (335,000 pm) but not exceeding 4,920,000 (410,000 pm)	20% of the amount by which chargeable income exceeds UGX 4,020,000 (335,000pm)
Exceeding UGX 4,920,000 (410,000 pm) but not exceeding UGX 5,820,000 (485,000 pm)	UGX 180,000 (15,000 pm) plus 25% of the amount by which chargeable income exceeds UGX 4,920,000 (410,000 pm)
Exceeding UGX 5,820,000 (485,000 pm) but not exceeding UGX 120,000,000 (10,000,0000 pm)	UGX 405,000 (33,750 pm) plus 30% of the amount by which chargeable income exceeds UGX 5,820,000 (485,000 pm)
Exceeding UGX 120,000,000 (10,000,000 pm)	Where chargeable income of an individual exceeds UGX 120,000,000 (10,000,000 pm) an additional 10% charged on the amount by which chargeable income exceeds UGX 120,000,000 (10,000,000 pm)

Non-resident Individual monthly rate

Bands of taxable income – UGX	Tax Rate
Not exceeding 4,020,000 (335,000 pm)	10%
Exceeding UGX 4,020,000 (335,000 pm) but not exceeding UGX 4,920,000 (410,000 pm)	UGX 402,000 (33,500 pm) plus 20% of the amount by which chargeable income exceeds UGX 4,020,000 (335,000 pm)
Exceeding UGX 4,920,000 (410,000 pm)	a) UGX 582,000 (48,500 pm) plus 30% of the amount by which chargeable income exceeds UGX 4,920,000 (410,000 pm): and b) Where chargeable income of an individual exceeds UGX 120,000,000 (10,000,000 pm) an additional 10% charged on the amount by which chargeable income exceeds UGX 120,000,000 (10,000,000 pm)

Employment Benefits

Housing:	Lower of (a) market rent of the accommodation reduced by any payments made by the employer or (b) 15% of the annual employment income paid by the employer to the employee
Car:	Available for use, wholly or partially, for private purposes this formula is used to compute the benefit:
	(20% * A*B/C)-D
	A: Is the market value of the motor vehicle at the time it is first provided to the employee*****
	B: Number of days in the year of income during which the motor vehicle was used or made available for use for private pruposes
	C: Number of days in the year of income
	D: Payment made by the employee for the benefit
	*****Vehicle is depreciated by 35% per annum for the subsequent years of use following the first year
Loans:	The statutory rate is 10.25% for loans given in excess of UGX 1 million at interest rates below the statutory rate
Others:	Utilities, tution, leave passages etc (the benefit is the market value less any payment made in respect of the benefit)

Rental tax for individuals

Individuals earning rental income below or equal to UGX 2,820,000 (UGX 235,000 per month), are exempt from rental income tax. Gross rental income exceeding UGX 2,820,000 is taxed at a rate of 12%

Business – Presumptive Income Tax

Specific presumptive income tax rates apply for resident taxpayers with business turnover between UGX 10 million and UGX 150 million



Other individual payroll obligations

	%
National Social Security Fund (NSSF) contributed by employer	10
NSSF contributed by employee	5
Local Service Tax (LST) is levied on every person in gainful employment and earning a salary. The tax rates range from UGX 5,000 to 100,000 per annum	

Rates of Withholding Tax

	Resident	Non-resident
	%	%
Dividend		
- to company controlling 25% or more of voting power	0	15
- from USE listed company to an individual	10	15
- otherwise	15	15
Interest		
- on government securities with maturity of less than 10 years	20	20
- on government securities with maturity of at least 10 years	10	10
- otherwise	15	15
-Interest paid by a resident company to a non-resident financial institution of a public character	N/A	5
Management / professional fees	6	15
Payment for goods or services exceeding UGX 1 million by the Government, local authority or designated withholding agent	6	N/A
To public entertainers and sports persons	6	15
Winnings from betting and gaming	15	N/A
Importation of goods into Uganda	6	6
Commissions paid by a Telecom provider for telecommunication retail services, mobile network services or provision of mobile money services**	10	N/A
Commissions paid to an insurance agent**	10	N/A
Commissions paid to insurance, payment service providers and advertising agents	10	10
Reinsurance premiums	N/A	10
Management charge	N/A	15
Natural resource payment	N/A	15
Rent	N/A	15
Royalty***	N/A	15
To a ship, air or road transport operator for carriage of goods/passengers from Uganda	N/A	2
Transmitting messages by cable, radio, optical fibre or satellite; pay TV; internet	N/A	5
Purchase of asset from a non-resident	N/A	10
Purchase of a business or business asset	6	6
Service fee**	N/A	15
*6% withholding tax applies where payments are made by a licensee to any Ugandan contractor for the use of movable property		

*10% applicable to contractors servicing mining and petroleum operations
**paid as a final tax
***Software added to the definition of a royalty

Disposal of investments

Tax rates	Ugandan asset	Overseas asset
	%	%
Individual		
- Resident	10 – 40	10 – 40
- Non – resident	10 – 40	N/A
Company		
- Resident	30	30
- Non – resident	30	N/A

Exemptions:

1. Non business assets other than shares in a private company and a disposal of a commercial building
2. Involuntary disposal of an asset to the extent to which the proceeds are reinvested in an asset of a like kind within one year of the disposal
3. Income from the disposal of government securities on the secondary market

Indirect taxes

VAT

Taxable Supplies	Rate*
	%
Supply of goods & services	18
Import of goods & services*	18
Auction of goods **	18
Export of goods & certain services	0
Supply of international transport	0
* Generally no VAT credit on imported services, a few exceptions apply	
**Where the goods being auctioned are exempt or zero rated, the VAT from this supply will be exempt or zero rated respectively	

Registration threshold (annual turnover)	Ushs 300m annual turnoverr
Payment	**Due date**
VAT on local supplies	15th day of the month following the month in which goods / services were supplied
VAT on the importation of goods	On the date the goods are cleared through customs
Refund claims	
	Claim for excess output tax must be made within 3 years after the end of the tax period in which tax was overpaid A refund of 5% of VAT incurred on purchases of goods or services worth UGX 2 million bought within 30 consecutive days by a non-taxable person who is issued with e-receipts or e-invoices.
Interest on delayed VAT refund	Interest on delayed VAT refunds is forfeited if the refund variance exceeds 5% of amount claimed
VAT-WHT Exemption	No WH-VAT on payments for taxable supplies where an e-invoice or e-receipt is issued

Customs duty

	%
Capital goods, raw materials, agricultural inputs, pure-bred breeding animals	0
Semi-finished goods	10
Finished consumer goods	25
Animal products, agro-processing products, luxurious goods etc	35
(i) Machinery and spare parts thereof imported by a licensed mining company and used in mining activities; (ii) machinery and inputs except motor vehicles imported by a licensed company for direct use in oil, gas or geothermal exploration, development and distribution, (iii) industrial spare parts, (iv) hotel and hospital engraved equipment, (v) horticulture, aquaculture, agriculture or floriculture inputs etc	0
Infrastructure Development Levy	1.5*
Import Declaration Levy	1*
*Not applicable on imports of vaccines, medicines, medical supplies, pesticides, rodenticides, acaricides and insecticides	
Certain “sensitive” goods are subject to higher protective rates (e.g. sugar, wheat). Goods imported from a country with which Uganda or the EAC has a free trade agreement (e.g. COMESA) may also enjoy concessional import duty rates	

Excise duty

		% / rate
Goods	Applied to specified goods including, alcohol, petroleum products, soft drinks, tobacco, furniture and cooking oil	Various
Services	Electronic communication services	Various
	Payment service of withdrawals of cash provided through a payment system but does not include withdrawal services provided by a financial institution or a micro finance deposit taking institution	0.5
	Mobile money transaction of withdrawals of cash	0.5
	Money transfer and withdrawal charges by telecommunication service providers	15
	Ledger fees, ATM fees, withdrawal fees, periodic charges excluding loan related charges	15
	Internet data and airtime on mobile cellular, landlines and public pay phones	12

Stamp duty

	%
Registration of nominal share capital	0.5
Registration fees of share capital*	1.5
Increase of share capital after first share capital registration	1.5
Transfer of shares	1.5
Agreements or memoranda of agreements and on mortgage deeds	Nil
Registration or transfer of motorcycle, tricycle or quadricycle	UGX 30,000
Registration or transfer of any other motor vehicle	UGX 200,000

*For registration of a company whose nominal share capital exceeds UGX 5 million

Tax Incentives

A tax incentive of ten years is available to exporters who export at least 80% of their produce of finished goods, subject to certain conditions

A 100% allowance is available for scientific research expenditure, training expenditure, and mineral exploration expenditure in the year of expenditure

Plant and machinery is exempt from customs duty on importation. Additionally, a VAT deferral facility is available where VAT is deferred on importation of plant and machinery and subsequently waived upon approval by the relevant authorities

Ten-year income tax exemption for developers and operators in industrial parks or free zones subject to meeting certain conditions

Income tax and stamp duty exemptions on income derived by or from a private equity or venture capital fund

Income of strategic investors in electric vehicles and parts and specialised hospital facility

Entities granted tax exemptions are required to continuously meet the relevant criteria against which the exemption was granted

Claim of certain input VAT for construction of tourism or hotel facility*

*Subject to meeting certain conditions

Tax treaties

In force:
Denmark, India, Italy, Mauritius, Netherlands, Norway, South Africa, United Kingdom, Zambia

Filing and payment

Tax type	Due date	Percentage of tax due
Corporate income tax	First provisional instalment: Final day of the sixth month of the year of income	50% of the estimated tax payable
	Second provisional instalment: Final day of the twelve month of the year of income**	50% of the estimated tax payable
Corporate income tax	Final tax: Last day of the sixth month after the year of income	Balance of the total tax payable (if any)
Rental tax for individuals	Monthly or quarterly filings	Quarterly payments
Withholding tax, PAYE, Excise duty and VAT	By the 15th of the month following the month in which the tax arises***	100% of the tax payable
Local Service Tax	Paid per annum in equal instalments over the first four months of the fiscal year (i.e. July to October)	100% of the tax payable
Transfer pricing documentation	Transfer pricing documentation is required to be available prior to the due date of filing the respective year's income tax return	N/A

**It is possible to file an amended provisional estimate on or before the final day of the twelfth month of the year of income

***National Social Security Fund Contributions are also made by the 15th of the month following the month in which the obligation arises

Interest & Penalties

Submission of a tax Return after due date	2% of the tax payable or UGX 200,000 whichever is higher, in the case of late filing for CIT, PAYE, WHT and Excise duty
Late submission of a document other than tax return	UGX 50 million for failure to provide records in relation to transfer pricing within 30 days and UGX 20 million in any other case
Interest on late / non-payment of tax	2% of the tax due per month, in case of CIT, WHT, PAYE and Excise duty
Penalty for making false or misleading statements	Making false or misleading statements resulting in an underpayment or overclaim of tax attracts a penalty equal to 200% of the tax due or overclaimed In order for this penalty to be imposed, the statements from the taxpayer must be made knowingly or recklessly****
Penalty for failure to maintain proper records	A person who deliberately fails to maintain proper records as required under the tax law is liable to double the amount of tax payable for the period to which the failure relates
Penalty for understating of provisional tax	A taxpayer, whose estimate or revised estimate of chargeable income for a year of income is less than 90% of the taxpayer's actual chargeable income assessed for that year, is liable to pay penal tax equal to 20% of the difference between the tax calculated in respect of the taxpayer's estimate, or as revised, of chargeable income and the tax calculated in respect of 90% of the taxpayer's actual chargeable income for the year of income
Penal tax relating to electronic receipting and invoicing	A taxpayer who fails to issue an e-receipt or e-invoice or tampers with an electronic fiscal device is subject to a penalty of UGX 200,000 or double the tax due on the goods or services, whichever is higher
Penal tax relating to tax stamps	Any person found in possession of goods that are required to bear a digital tax stamp but do not have one are subject to a penalty of UGX 2,000,000 or the tax payable on the goods, whichever is higher
A waiver of tax outstanding as at 30th June, 2016	Waiver of any tax including penal tax and interest owed by a taxpayer as at 30th June, 2016
A waiver of interest and penalty on payment of principal tax	Waiver of any interest and penalty outstanding as at 30th June,2025 where a taxpayer pays the principal tax by 30 June, 2027.

****For VAT purposes, the imposition of the penal tax is automatic for any error in a VAT return, regardless of whether made innocently, recklessly or deliberately



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This datacard reflects the law as at 1 July 2026 including changes introduced by the tax legislations for the FY2026/2027

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