



**UGANDA LAW SOCIETY**

**STATEMENT ON THE INCOME TAX (AMENDMENT) BILL 2016 PROVISION EXEMPTING MEMBERS OF PARLIAMENT FROM PAYING TAXES ON THEIR EMOLUMENTS**

The Parliament recently debated and passed a Bill amending the Income Tax Act to exempt the allowances received by the Honourable Members of Parliament from taxation. This particular provision in the Bill is problematic for the following reasons:

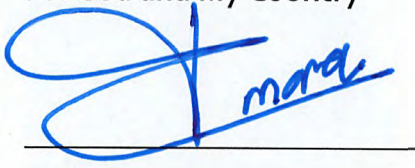
1. The Constitution of the Republic of Uganda, in Article 21 guarantees equality of all citizens before the Law. The exemption of MPs allowances from being taxed has the effect of granting greater weight to the Members of Parliament over ordinary citizens in as far as equal obligation to pay taxes is concerned. This preferential treatment to the Members of Parliament who are supposed to be at the service of the citizens of Uganda is discriminatory and amounts to a violation of Article 21 of the Constitution.
2. The Court in the matter of *Francis Byamugisha vs Attorney General, Parliamentary Commission and Uganda Revenue Authority HCCS No 745 of 2013* resolved that all emoluments paid to the Members of Parliament are subject to tax under the provisions of the Income Tax Act Cap 314. The Court further directed the Parliamentary Commission to collect with immediate effect any taxes owing and due to the Government of Uganda from the date of the decision going forward and remit the same to Uganda Revenue Authority.
3. The Parliamentary Commission being dissatisfied with the decision of the High Court lodged a notice of appeal dated 9<sup>th</sup> February 2016. Before the Court of Appeal could pronounce itself on the appeal lodged, the Members of Parliament have chosen to render court powerless and the judgment useless by passing a law exempting them from paying tax. This action is not only an abuse of the judicial process but it also amounts to misuse of legislative power.

In the premises, the ULS has written to H.E. The President of the Republic of Uganda requesting him not to assent to this Bill.

Every Ugandan is obligated to pay taxes irrespective of their position in society and there should not be a class of citizens who are exempted from payment of taxes. The tax burden should be shared fairly and Parliament should only develop a tax regime that applies to all citizens without discrimination.

Uganda Law Society expects that the Members of Parliament would certainly do much better by leading from the front on this issue.

For God and My Country



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Gimara Francis

President – Uganda Law Society

April 18, 2016