

# Vote: 141 URA

## Vote Summary

### VI: Vote Overview

This section sets out the Vote Mission, Strategic Objectives, and provides a description of the vote's services

#### (i) Snapshot of Medium Term Budget Allocations

Table V1 below summarises the Medium Term Budget allocations for the Vote:

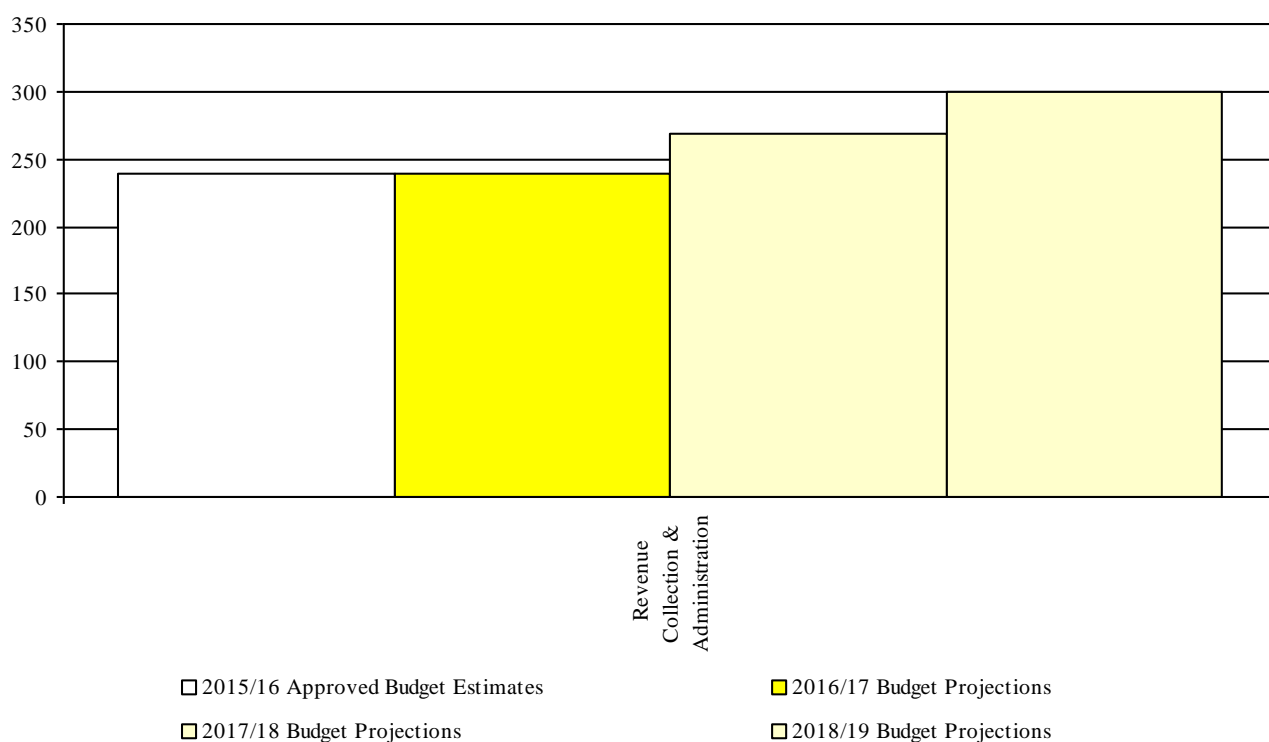
**Table V1.1: Overview of Vote Expenditures (UShs Billion)**

	2014/15 Outturn	2015/16		MTEF Budget Projections		
		Approved Budget	Spent by End Sept	2016/17	2017/18	2018/19
<i>(i) Excluding Arrears, Taxes</i>						
Recurrent Wage	107.132	107.132	26.783	107.132	112.488	118.113
Recurrent Non Wage	82.626	84.089	21.033	84.089	100.065	118.077
Development GoU	19.225	45.662	11.829	45.662	54.795	63.014
Development Ext. Fin	0.000	1.652	0.000	2.136	2.087	0.000
<b>GoU Total</b>	<b>208.983</b>	<b>236.882</b>	<b>59.645</b>	<b>236.882</b>	<b>267.348</b>	<b>299.203</b>
<b>total GoU + Ext Fin. (MTEF)</b>	<b>208.983</b>	<b>238.534</b>	<b>59.645</b>	<b>239.018</b>	<b>269.435</b>	<b>299.203</b>
<i>(ii) Arrears and Taxes</i>						
Arrears	0.000	0.000	0.000	0.000	N/A	N/A
Taxes	0.000	0.000	0.000	0.000	N/A	N/A
<b>Total Budget</b>	<b>208.983</b>	<b>238.534</b>	<b>59.645</b>	<b>239.018</b>	<b>N/A</b>	<b>N/A</b>

\*\* Non VAT taxes on capital expenditure

The chart below shows total funding allocations to the Vote by Vote Function over the medium term:

**Chart V1.1: Medium Term Budget Projections by Vote Function (UShs Bn, Excluding Taxes, Arrears)**



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### (ii) Vote Mission Statement

The Vote's Mission Statement is:

*To Provide Excellent Revenue Service with Purpose and Passion*

### (iii) Vote Outputs which Contribute to Priority Sector Outcomes

The table below sets out the vote functions and outputs delivered by the vote which the sector considers as contributing most to priority sector outcomes.

**Table V1.2: Sector Outcomes, Vote Functions and Key Outputs**

Sector Outcome 1:	Sector Outcome 2:	Sector Outcome 3:
<i>Efficient service delivery through formulation and monitoring of credible budgets.</i>	<i>Compliance to accountability policies, service delivery standards and regulations.</i>	<i>Accountability Sector's contribution to economic growth and development enhanced</i>
<b>Vote Function: 14 54 Revenue Collection &amp; Administration</b>		
Outputs Contributing to Outcome 1:	Outputs Contributing to Outcome 2:	Outputs Contributing to Outcome 3:
None	None	<i>Outputs Provided</i> 145401 Customs Tax Collection 145402 Domestic Tax Collection 145403 Tax Investigations

## V2: Past Vote Performance and Medium Term Plans

*This section describes past and future vote performance, in terms of key vote outputs and plans to address sector policy implementation issues.*

### (i) Past and Future Planned Vote Outputs

#### 2014/15 Performance

Net revenue collections (excluding non-tax revenue, refunds and infrastructure levy) for the month of June 2015 were UGX 1,233.99 Bn against a target of UGX 1,093.75 Bn, a performance rate of 112.82% (UGX 140.24 Bn surplus) and a growth of 41.06 % ( UGX 359.18Bn) compared to the same period last financial year.

On a cumulative basis, net revenue collections for the FY 2014/15 were UGX 9,713.81 Bn against a target of UGX 9,576.59Bn, a performance rate of 101.43% (UGX 137.22 Bn surplus) and a growth of 20.95 % ( UGX 1,682.77Bn) compared to last financial year.

Domestic taxes net collections excluding refunds for June 2015 were UGX 811.12 Bn against a target of UGX 717.85 Bn, a performance of 112.99% (UGX 93.27 Bn surplus) and a growth of 43.85% (UGX 247.26Bn) compared to the same period last financial year. Gross domestic collections including other NTR for the month amounted to UGX 820.94Bn while tax refunds were UGX 9.82Bn.

Surpluses were registered in; PAYE (UGX 39.72 Bn), corporation tax (UGX 36.68Bn), withholding tax (UGX 34.27Bn), and local excise duty (UGX 5.42Bn), while deficits were registered in; VAT (UGX 25.80 Bn), and tax on bank interest (UGX 10.81 Bn).

On a cumulative basis, Domestic taxes net collections excluding refunds for the FY 2014/15 were UGX 5,399.41 Bn against a target of UGX 5,313.59 Bn, a performance of 101.61% (UGX 85.82 Bn surplus ) and a growth of 20.32% (UGX 912.04 Bn) compared to the same period last financial year. Gross domestic collections including other NTR for the period amounted to UGX 5,553.72 Bn while tax refunds were UGX 154.32 Bn.

Surpluses were registered in; corporation tax (UGX 117.73Bn), withholding tax (UGX 90.98Bn), and casino (UGX 1.19Bn) while deficits were registered in; VAT (UGX 92.01Bn), tax on bank interest (UGX 33.07 Bn), PAYE (UGX 18.71 Bn) and local excise duty (UGX 10.32 Bn).

International trade taxes net collections excluding refunds for the month of June 2015 were UGX 422.86Bn

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against a target of UGX 375.90Bn, a performance rate of 112.49% (UGX 46.96 Bn surplus) and a growth rate of 35.99% ( UGX 111.92Bn) compared to the same period last financial year. Gross international trade tax collections for the period amounted to UGX 424.09Bn while tax refunds were UGX 1.23Bn.

Surpluses were registered in; petroleum duty (UGX 37.65Bn), VAT on Imports (UGX 13.48Bn), surcharge on used imports (UGX 4.79Bn), withholding taxes (UGX 1.93Bn) and exports levy (UGX 0.28Bn) while deficits were registered in; excise duty (UGX 6.16Bn), import duty (UGX 3.37Bn), and temporary Road Licenses (UGX 0.41 Bn).

On a cumulative basis, international trade taxes net collections for the FY 2014/15 were UGX 4,318.86Bn against a target of UGX 4,263.00Bn, a performance rate of 101.31% (UGX 55.86 Bn surplus) and a growth of 21.88 % (UGX 775.19Bn) compared to last financial year. Gross international trade tax collections for the period amounted to UGX 4,336.69Bn while tax refunds were UGX 17.83Bn.

Surpluses were registered in; petroleum duty (UGX 77.95Bn), VAT on Imports (UGX 68.25Bn), exports levy (UGX 5.42Bn) and surcharge on used imports (UGX 8.87Bn) while deficits were registered in; import duty (UGX 64.79Bn), withholding taxes (UGX 13.13Bn), temporary Road Licenses (UGX 7.15 Bn) and excise duty (UGX 1.73 Bn).

Sector revenue performance was based on the top 2,000 tax payers that contributed approximately 90.5% of the net collections during the FY 2014/15. Of these, 3% (65) were individual taxpayers and 97% (1,935) were non-individual taxpayers. The top five performing sectors contributed approximately 80.4% of the total net collections. The manufacturing sector has been the leading contributor with 30.0% of the net revenue collections, followed by whole sale and retail sector which contributed 23.0%, financial and insurance sector (10.9%), information and communication sector (10.3%) and public administration and defense (6.3%).

Tax policy analysis for VAT, excise duty, income tax and international trade indicate a total of UGX 340.8Bn (90.67% of the annual target) was generated contributing 0.44% of GDP. The performance was affected by income tax measures that are expected to yield in December 2015. VAT measures generated UGX 130.25Bn, excise duty measures yielded UGX 153.23Bn and income tax measures yielded UGX 20.75Bn while international trade taxes UGX 30.2Bn.

Tax payer register as at 30th June 2015 was at 763,150 out of which 57,902 are non-individual and 705,248 are individual tax payers. There has been additional 108,291 taxpayers representing 16.54% growth in register during the FY 2014/15.

Monthly filing ratios: The filing ratio performance for the FY 2014/15 was; LTO: PAYE filing ratio was 95.68% while VAT filing ratio was 98.06%. MTO: PAYE filing ratio was 84.58% while VAT filing ratio was 90.65% and STO: PAYE filing ratio was 64.70% while VAT filing ratio was 73.10%.

Tax audit: Total domestic audits for the FY 2014/15 were 3,948 cases against a target of 3,721 cases registering a performance rate of 106.1% and total amount assessed amounted to UGX 727.08Bn. Customs audits completed were 261 cases (203 comprehensive, 32 issue and 26 joint compliance audits) with assessments worth UGX 78.64Bn during the period of FY 2014/15. During the FY 2014/15, Forty seven (47) cases were investigated, concluded and taxes reconciled generating UGX 14.04Bn which was sent for to domestic taxes department for assessment.

Arrears management: The domestic taxes debt stock as at end of June 2015 excluding government arrears was UGX 788.00Bn out of which UGX 341, 47Bn (43%) was for enforcement, UGX 223.96 Bn(29%) was

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under court, UGX 83.85Bn (11%) was under debt collection unit, UGX 81.00Bn(10%) was beyond station reconciliation control and UGX 57.71 Bn (7%) was recommended for write off . UGX 298.7 Bn of the debt stock was recovered during the period. Total government arrears as at end of June 2015 were UGX 60.03Bn, excluding arrears recommended for waiver. Arrears under government undertaking were worth UGX 24.08Bn. Arrears under central government and local government were worth UGX 35.94Bn as at end of June 2015. Customs arrears worth UGX 65.03Bn were generated during the period if FY 2014/15. UGX 21.16Bn was recovered during the period, and UGX 35.84Bn was outstanding as at end of June 2015.

### *Preliminary 2015/16 Performance*

Net revenue collections for the month of September 2015 were UGX 841.41 Bn against a target of UGX 838.81 Bn, a performance rate of 100.31% (UGX 2.60 Bn surplus) and a growth of 12.87% (UGX 95.93 Bn) compared to the same month last financial year.

On a cumulative basis, net revenue collections for the period July 2015 to September 2015 were UGX 2,463.77 Bn against a target of UGX 2501.71 Bn, a performance rate of 98.48% (UGX 37.94 Bn deficit) and a growth of 17.98 % (UGX 375.52 Bn) compared to the same period last financial year.

Net domestic taxes collections for the month of September 2015 were UGX 449.67 Bn against a target of UGX 455.37 Bn, a performance rate of 98.75% (UGX 5.71 Bn deficit) and a growth of 19.53 % (UGX 73.47Bn) compared to the same month last financial year. Gross domestic collections were UGX 459.83 Bn with total refunds of UGX 10.17 Bn.

Surpluses were registered in; withholding tax (UGX 8.75Bn), PAYE (UGX 0.6 Bn), corporation tax (UGX 5.92Bn) and rental tax (UGX 0.12 Bn), while deficits were registered in; local excise duty (UGX 11.5 Bn), VAT (UGX 11.7Bn), and tax on bank interest (UGX 2.9 Bn).

On a cumulative basis, net domestic taxes collections for the period July 2015 to September 2015 were UGX 1310.52Bn against a target of UGX 1364.36, a performance rate of 96.05% (UGX 53.84 Bn deficit) and a growth of 21.79% ( UGX 234.5Bn) compared to the same period last financial year. Gross domestic collections were UGX 1,345.3 Bn with total refunds of UGX 34.78 Bn.

Surplus was registered in; withholding tax (UGX 23.83Bn), tax on bank interest (UGX 2.88Bn) and casino (UGX 0.33Bn) while deficits were registered in; PAYE (UGX 29.45 Bn), VAT (UGX 18.65Bn), local excise duty (UGX 34.84Bn) and Corporation tax (UGX 12.08Bn).

Net international trade taxes collections for the month of September 2015 were UGX 391.74 Bn against a target of UGX 383.43 Bn, a performance rate of 102.17% (UGX 8.31 Bn surplus) and a growth of 4.6% ( UGX 17.23Bn) compared to the same period last financial year. Gross international trade taxes collections were UGX 392.25 Bn with total refunds of UGX 0.5 Bn.

Surpluses were registered in; VAT on imports (UGX 16.64Bn), import duty (UGX 6.85Bn), excise duty (UGX 3.38 Bn), withholding taxes (UGX 3.10Bn) and surcharge on used import (UGX 1.73Bn) while deficits were registered in; petroleum duty (UGX 22.47Bn) and export levy (UGX 0.41 Bn) .

On a cumulative basis, net international trade taxes collections for the period July 2015 to September 2015 were UGX 1,154.66 Bn against a target of UGX 1,137.36 Bn, a performance rate of 101.52% (UGX17.3 Bn surplus) and a growth of 14.07 % ( UGX 142.42Bn) compared to the same period last financial year. Gross international trade taxes collections were UGX 1,155.8 Bn with total refunds of UGX 1.14 Bn.

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Surpluses were registered in; VAT on imports (UGX 37.02Bn), import duty (UGX 7.65Bn), withholding taxes (UGX 4.73Bn), excise duty (UGX 4.49 Bn) and surcharge on used import (UGX 3.33Bn) while deficits were registered in; petroleum duty (UGX 36.29Bn) and export levy (UGX 2.49 Bn).

Tax refunds for the month of September 2015 were UGX 10.67Bn against a target of UGX 20.74Bn, a performance rate of 51.5% (UGX 10.05 Bn surplus). On a cumulative basis, tax refunds for the period July to September 2015 were UGX 37.32 Bn against a target of UGX 62.45Bn, a performance rate of 59.77% (UGX 25.12 Bn surplus).

Tax payer register as at 30th September 2015 was at 803,581 out of which 61,458 are non-individual and 742,123 are individual tax payers. The tax register had a growth of 5.3% (40,431 taxpayers) during the period July to September 2015.

Filing ratios; over the first quarter, the average filing ratio performance was; LTO: PAYE filing ratio was 97.3% while VAT filing ratio was 98.27%. MTO: PAYE filing ratio was 91.83% while VAT filing ratio was 93.82% and STO: PAYE filing ratio was 64.19% while VAT filing ratio was 78.03%.

Tax audit: domestic audits for September 2015 were 204 cases against a target of 208 cases registering a performance rate of 98.1%, with assessments worth UGX 8.38Bn against the target of UGX 56.15Bn of which actual recoveries were UGX 1.58Bn. The total number of cases completed in the period July to September 2015 was 541 against the target of 668 registering a performance of 81%. Customs audits completed in the September were 27 comprehensive audits against a target of 20 with assessments worth UGX 5.02Bn. For the period July to September 2015, total customs audits completed were 49 comprehensive, with assessments worth UGX 11.63Bn.

Arrears management: The domestic taxes debt stock as at end of September 2015 excluding government arrears was UGX 852.89Bn; out of which UGX 289.85 Bn (32%) was collectable, UGX 304.95 Bn (33%) was under court, UGX 74.35Bn (8%) was under debt collection unit, UGX 134.26Bn(15%) was beyond station control and UGX 49.48Bn Bn (5%) was recommended for write off.

While a total of UGX 13.79Bn of customs arrears was generated during the period July to September 2015, UGX 1.57Bn was recovered during the period, and UGX 11.74Bn was outstanding as at end of September 2015. Customs Enforcement interventions for the period July to September yielded UGX 8.76 Bn out from a total of 1, 654 notices issued.

Focus Sector analysis; the manufacturing sector showed an increase in its revenue share to total from 25.7% to 30.6% for the period July to September 2015. However the wholesale and retail sector reflected a decline in revenue share to total from 29.9% to 19.0% for the period July to September. This sector was mainly affected by a decline in demand for credit which dropped mainly affecting the imports of this sector.

Macro-Economic environment; an analysis of the prevailing macro environment shows that; inflation has affected the wholesale and retail sector through increase of input costs not matching the sales. On average input VAT for the period July to Sept increased by 40% while output VAT increased by 25%. In terms of exchange rate the UGX has depreciated by 25% vs the targeted 12% implying an increase in cost of inputs and cost of capital affecting corporation tax by reduced profitability but increasing customs revenue which is reflected by an increase in value of imported goods of 10.5% Vs the projected 8.5%. Credit to the private sector demand has been affected by the increased commercial bank lending rate that is now at 22%. This is stifling private sector growth due to inaccessibility of cheap credit negatively impacting domestic taxes especially the whole sale and retail sector which has shown a decline in import volume growth by 60% by end August 2015.

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Uganda's trade balance in the EAC has declined further from negative UGX 317.06 Bn in July to September 2014 to negative UGX 344.36 Bn July to September 2015 implying an increase in importation from the region higher than exports to the region.

**Table V2.1: Past and 2016/17 Key Vote Outputs\***

<i>Vote, Vote Function Key Output</i>	<b>Approved Budget and Planned outputs</b>	<b>2015/16 Spending and Outputs Achieved by End Sept</b>	<b>2016/17 Proposed Budget and Planned Outputs</b>
<b>Vote: 141 URA</b>			
<b>Vote Function: 1454 Revenue Collection &amp; Administration</b>			
<b>Output: 145401</b>	<b>Customs Tax Collection</b>		
<i>Description of Outputs:</i>	18% Growth in customs Revenue	Customs revenue grew by 14.07% (UGX 142.42Bn) in the first quarter of FY 2015/16 compared to the same period last FY.	18% Growth in customs Revenue
	100% Customs revenue collection to target.		100% Customs revenue collection to target.
	30% Recovery of collectable Arrears.	Customs revenue collections in the first quarter FY 2015/16 was UGX 1,154.66Bn against a target of 1,137.36Bn , a performance rate of 101.52%.	30% Recovery of collectable Arrears.
	250 Comprehensive Audits 30 Oil Issue Audits completed.		250 Comprehensive Audits 30 Oil Issue Audits completed.
	100% Taxpayer applications for accreditation evaluated.	18.25% of the customs collectable arrears were recovered in the first quarter of FY 2015/16. This reduced arrears from UGX 14.365Bn as 1st July-2015 to UGX 11.74 Bn as at 30th September-2015.	
		49 comprehensive audits were completed against a target of 85 in the first quarter of FY 2015/16 with an assessment of UGX 11.63Bn.	
		100% of the two taxpayers applications received for accreditation during the quarter were evaluated.	
<i>Performance Indicators:</i>			
Percentage of Customs tax Revenue collected against target	100	101	100
<i>Output Cost: US\$ Bn:</i>	52.626	13.503	52.626
<b>Output: 145402</b>	<b>Domestic Tax Collection</b>		
<i>Description of Outputs:</i>	19% Growth in Domestic taxes revenue collection	Domestic tax revenue grew by 21.79% (UGX 234.50Bn) in the first quarter of FY 2015/16 compared to the same period last FY.	14% Growth in Domestic taxes revenue collection
	100% Domestic taxes revenue collection to target		100% Domestic taxes revenue collection to target
	30% Recovery of collectable arrears at the beginning of the year excluding Government	The quarter one FY 2015/16 domestic tax revenue collections were UGX	102Bn of collectable arrears at the beginning of the year excluding Government arrears.

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<i>Vote, Vote Function Key Output</i>	<b>Approved Budget and Planned outputs</b>	<b>2015/16 Spending and Outputs Achieved by End Sept</b>	<b>2016/17 Proposed Budget and Planned Outputs</b>
	arrears.	1,310.52Bn against the target of UGX 1,364.36Bn recording a performance rate of 96.05%.	2486 Audits completed  23% Increase in general taxpayer register
	1,573 Compliance Risk based Audits completed and broken down as follows:	22.95% of the collectable arrears were recovered in the first quarter FY 2015/16. Total recoveries for the period were UGX 66.53 Bn against total collectable arrears of UGX 289.85Bn by 30th September 2015 .	
	Whole sale and retail 1,175 cases		
	Manufacturing - 398 cases		
	Joint compliance strategy FY 2015/16 developed.		
	40 Tax hubs held.	541 compliance risk based audits were completed in wholesale, manufacturing, and other sectors against a quarterly target of 395 audits in quarter one of FY 2015/16 with a tax assessment of UGX 36.64Bn..	
	15% Growth in value taxpayer register.		
	30% Increase in total taxpayer register	The joint compliance strategy was developed by July-2015 .It is being implemented as planned, monitored and evaluated on a quarterly basis.	
	5% Revenue from new value taxpayers		
	50% Newly registered clients filing returns ontime	Conducted 24-tax clinics/hub. These targeted the agriculturalists, transporters, manufacturers, educationists, constructors, retail and wholesalers, among other sectors.	
	4 Stakeholder engagements conducted.		
	10% Reduction in offset portfolio	The value taxpayers register increased by 8.2% in quarter one FY 2015/16. Total value clients as at 1st July-2015 were 78,227 which number increased to 84,604 by end September 2015.	
		The tax register increased by 5.3% in quarter one FY 2015/16 against the target of 7.5%. The tax register as at 1st July 2015 was 763,150 which increased to 803,583 and as at 30th September 2015.	
		0.22% in revenue was collected from new value clients against a target of 5% in quarter one FY 2015/26.	

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<i>Vote, Vote Function Key Output</i>	<b>Approved Budget and Planned outputs</b>	<b>2015/16 Spending and Outputs Achieved by End Sept</b>	<b>2016/17 Proposed Budget and Planned Outputs</b>
		16% of the newly registered clients filed returns on time ,in the first quarter FY 2015/16.	
		Stakeholder engagements were not held in the quarter.They were rescheduled to quarter 2.	
<i>Performance Indicators:</i>			
Percentage of Domestic Tax Revenue collected against target	100	96.05	100
Percentage Growth in taxpayer register	30	5.3	23
Average filing ratio	89	83.05	89
<i>Output Cost: UShs Bn:</i>	<i>64.151</i>	<i>UShs Bn: 15.845</i>	<i>UShs Bn: 64.151</i>
<b>Output: 145403</b>	<b>Tax Investigations</b>		
<i>Description of Outputs:</i>	75 Cases investigated to conclusion and 20 recommended for prosecution	Investigations on 12 fraudulent cases were concluded against a target of 17,a performance of 71% .	20 Cases recommended for prosecution
	4 Strategic briefs developed and presented to the board.	One (1) strategic brief was developed and presented to the URA board.	75 Cases investigated to conclusion
	12 Tactical briefs developed and shared with the relevant stakeholders on time	Three (03) tactical intelligence reports were developed and shared with stakeholders during the quarter against a target of 3:	
	100% Of Quality Service Management Plan (QSMP) executed.	These were; tax on payments to non-resident, fuel industry by contractors, non-declaration of supplies made to government, motor vehicle supplies and an assessment of fuel station dealers.	
	100% Of stakeholder engagement plan implemented		
	100% Of the TID process improvement activities executed as per the Departmental plan.		
	100% Of staff Development Programms implemented	100% Of quality service management Plan executed.This included the strategic tactical brief prepared and presented to the board,tactical intelligence reports and improvement of the TID processes.	
		Engaged 100% of the stakeholders scheduled for first quarter, these were; Uganda Police, Uganda National Roads Authority, Uganda National Bureau of Standards, Ministry of Agriculture, Animal Husbandry & Fisheries, Financial Intelligence	



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<i>Vote, Vote Function Key Output</i>	<b>Approved Budget and Planned outputs</b>	<b>2015/16 Spending and Outputs Achieved by End Sept</b>	<b>2016/17 Proposed Budget and Planned Outputs</b>
		Authority.Ministry of Fianance and Bank of Uganda.	
		100% TID process improvement activities were executed.These include; sensitized staff on business process documentation, identified gaps in the TID processes and developed avenues for filling them, developed informers procedural guidelines and checklist for informer vetting.	
		Implemented 100% staff competence programs in quarter one in which 21 staff were trained in PODITI . Other trainings conducted include; tax evasion planning schemes, financial markets, anti-money laundering, AML regulations, Oil, gas & minerals, intellectual property, science ,laws supporting motor vehicle fraud investigations, leadership trainings, tax treaties and staff also participated in the OECD forum on forum on tax & crime.	
	<i>Output Cost: UShs Bn:</i>	5.919	<i>UShs Bn:</i> 1.448 <i>UShs Bn:</i> 5.919
<b>Vote Function Cost</b>	<b>UShs Bn:</b>	<b>238.534</b>	<b>UShs Bn:</b> 59.645 <b>UShs Bn:</b> 239.018
<i>VF Cost Excl. Ext Fin.</i>	<i>UShs Bn</i>	236.882	<i>UShs Bn</i> 59.645 <i>UShs Bn</i> 236.882
<b>Cost of Vote Services:</b>	<b>UShs Bn:</b>	<b>238.534</b>	<b>UShs Bn:</b> 59.645 <b>UShs Bn:</b> 239.018
<i>Vote Cost Excl. Ext Fin.</i>	<i>UShs Bn</i>	236.882	<i>UShs Bn</i> 59.645 <i>UShs Bn</i> 236.882

\* Excluding Taxes and Arrears

### 2016/17 Planned Outputs

100% Revenue Collection to target.

89% Average Filing Ratio

23% Growth in the general tax payer register.

**Table V2.2: Past and Medium Term Key Vote Output Indicators\***

<i>Vote Function Key Output Indicators and Costs:</i>	<b>2014/15 Outturn</b>	<b>2015/16</b>		<b>MTEF Projections</b>		
		<b>Approved Plan</b>	<b>Outturn by End Sept</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>Vote: 141 URA</b>						
<b>Vote Function:1454 Revenue Collection &amp; Administration</b>						
Percentage of Customs tax Revenue collected against target		100	101	100	100	100
Average filing ratio		89	83.05	89	90	90

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<i>Vote Function Key Output Indicators and Costs:</i>	2014/15 Outturn	2015/16		MTEF Projections		
		Approved Plan	Outturn by End Sept	2016/17	2017/18	2018/19
Percentage Growth in taxpayer register		30	5.3	23	23	23
Percentage of Domestic Tax Revenue collected against target		100	96.05	100	100	100
<b>Vote Function Cost (US\$ bn)</b>	<i>N/A</i>	<b>238.534</b>	<b>59.645</b>	<b>239.018</b>	<b>269.435</b>	<b>299.203</b>
<i>VF Cost Excl. Ext Fin.</i>	208.983	236.882	59.645	236.882	<i>N/A</i>	<i>N/A</i>
<b>Cost of Vote Services (US\$ Bn)</b>	<i>N/A</i>	<b>238.534</b>	<b>59.645</b>	<b>239.018</b>	<b>269.435</b>	<b>299.203</b>
<i>Vote Cost Excl. Ext Fin</i>	208.983	236.882	59.645	236.882	<i>N/A</i>	<i>N/A</i>

### Medium Term Plans

Focus areas for FY 2016/17

To effectively deliver on her mandate, URA will focus on the following interventions;

Staff Capacity building; Staff need to be equipped with soft skills like negotiation skills and stakeholder management among others. The training programs will be designed in a sector-based approach. Areas of focus under this will be PODITI, PODITRA, e-commerce, telecommunications, transfer pricing, construction, oil and gas, Customer Relations Management, Gaming & Betting, Data Analysis, audit skills, intelligence and risk management, investigations and internal audit, insolvency, Exchange of information and money laundering.

Staff need to be exposed and build new knowledge in emerging areas like international taxation and steel. This can be achieved through specialised talent sourcing in recruitment and redeployment whilst attaching some staff to organizations with best practice.

Structural review and work load analysis: To effectively execute her strategy, URA will carry out a work load analysis and the structural review. This will have budget implications to cater for additional staff and infrastructure.

Staff Salary and Bonus Payment: In order to retain the high caliber of staff URA has and attract more skilled staff, a case for continuous salary review will be developed in accordance with the cost of inflation index. Following the Public Finance Act 2015, bonus payment will also be included in the budget. This calls for more funding from MTEF allocations.

Strengthen partnerships with withholding tax agents: URA will strengthen partnerships with withholding agents to enhance their compliance. This will be done through continuous tax education on withholding tax and analyzing the impact of tax policies implemented.

Simplifying URA processes: Registration, Filing and Payments Processes will be reviewed to make them simpler. The URA and mobile APPs have been put up. URA will also continue to improve the processes by developing operational processes for flat rates and putting up notices for phased payments.

The Tax Procedures Code (TPC): Implement the Tax Procedures Code (TPC). There is need to accommodate the TPC in e-tax and this will require a budget for change requests.

Strengthen the Risk Management function (JCS & BCM): URA will strengthen the risk management functions through Joint Compliance Strategy and Business Continuity Management. This will be implemented through the real time risk management solution in Customs, strengthening a business intelligence team that picks information from the economy.

Strengthening stakeholder partnerships: URA will strengthen collaboration with stakeholders including

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KCCA, FIA, NWSC, UMEME, UCC and Ministry of Lands for sharing information on key interventions. Key stakeholders in telecom sector will be engaged regarding Sim-boxing to regulate tax evasion through emerging technologies.

Operationalize the SCT guidelines under the EAC: Strengthen SCT Administration procedures  
Reduce revenue leakages: To reduce revenue leakages, Integrity drives including building the URA corporate culture, implementing the electronic fiscal devices, exploring the use of new technology like tax stamps. The research function needs to be strengthened to detect emerging areas like technology and agriculture that provide potential for revenue mobilization. Operational business intelligence will also be implemented. ECTS will be strengthened and extended to Mombasa to enhance cargo tracking. There is also need to strengthen surveillance of operations to include porous borders. A platform for collection of other NTRs will also be prepared.

There is need to acquire science equipment and internal audit tools to increase collections from tax investigation. This will require a budget for equipment and training of staff.

To improve the quality of service: The service management framework will be institutionalized and service roles that champion service across the organization developed. The office concept will be reviewed and updated in relation to the service model. There is need to develop, review existing and institutionalize Standard Operating Procedures (SOPs) across the organization. Additionally, new service areas will be set up in Natete, Kyotera Kyaliwajala and Nansana.

Tax education: Comprehensive and segmented tax education will be carried out during FY 2016/17.

Exchange of Information: To honor the country's international obligations, the multi-lateral agreements on tax, URA will implement exchange of information. This will need a budget for administrative costs on implementation of information exchange

### (ii) Efficiency of Vote Budget Allocations

In the financial year 2016/17, the URA revenue target is UGX13,844.60Bn and the following strategies have been developed to realize additional revenue to meet and surpass the target:

URA will focus on the fast growing and risky sectors with high revenue potential as follows:

- Wholesale & Retail sector with revenue projection of UGX.3,438.11Bn
- Manufacturing sector with revenue projection of UGX.3,406.70Bn
- Construction sector with revenue projection of UGX.343.10Bn
- Rental/ Real Estates sector with revenue projection of UGX.184.31Bn

Focus area under each sector include the following:

- Conduct Compliance Risk based Audits
- Conduct Post audit impact assessment
- Proper Receipt utilization/acquisition drives
- Intensify Investigation and Intelligence -
- Taxpayer Registration Expansion Programme-
- Strengthen Tax Education
- Intensify Publicity
- Conduct Stakeholder engagements

To effectively deliver on her mandate, URA will focus on the following interventions;

Staff Capacity building; Staff need to be equipped with soft skills like negotiation skills and stakeholder management among others. The training programs will be designed in a sector-based approach. Areas of

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focus under this will be PODITI, PODITRA, e-commerce, telecommunications, transfer pricing , construction, oil and gas, Customer Relations Management, Gaming & Betting, Data Analysis, audit skills, intelligence and risk management, investigations and internal audit, insolvency, Exchange of information and money laundering.

Staff need to be exposed and build new knowledge in emerging areas like international taxation and steel. This can be achieved through specialised talent sourcing in recruitment and redeployment whilst attaching some staff to organizations with best practice.

Structural review and work load analysis: To effectively execute her strategy, URA will carry out a work load analysis and the structural review. This will have budget implications to cater for additional staff and infrastructure.

Staff Salary and Bonus Payment: In order to retain the high caliber of staff URA has and attract more skilled staff, a case for continuous salary review will be developed in accordance with the cost of inflation index. Following the Public Finance Act 2015, bonus payment will also be included in the budget. This calls for more funding from MTEF allocations.

Strengthen partnerships with withholding tax agents: URA will strengthen partnerships with withholding agents to enhance their compliance. This will be done through continuous tax education on withholding tax and analyzing the impact of tax policies implemented.

Simplifying URA processes: Registration, Filing and Payments Processes will be reviewed to make them simpler. The URA and mobile APPs have been put up. URA will also continue to improve the processes by developing operational processes for flat rates and putting up notices for phased payments.

The Tax Procedures Code (TPC): Implement the Tax Procedures Code (TPC). There is need to accommodate the TPC in e-tax and this will require a budget for change requests.

Strengthen the Risk Management function (JCS & BCM): URA will strengthen the risk management functions through Joint Compliance Strategy and Business Continuity Management. This will be implemented through the real time risk management solution in Customs, strengthening a business intelligence team that picks information from the economy.

Strengthening stakeholder partnerships: URA will strengthen collaboration with stakeholders including KCCA, FIA, NWSC, UMEME, UCC and Ministry of Lands for sharing information on key interventions. Key stakeholders in telecom sector will be engaged regarding Sim-boxing to regulate tax evasion through emerging technologies.

Operationalize the SCT guidelines under the EAC: Strengthen SCT Administration procedures

Reduce revenue leakages: To reduce revenue leakages, Integrity drives including building the URA corporate culture, implementing the electronic fiscal devices, exploring the use of new technology like tax stamps. The research function needs to be strengthened to detect emerging areas like technology and agriculture that provide potential for revenue mobilization. Operational business intelligence will also be implemented. ECTS will be strengthened and extended to Mombasa to enhance cargo tracking. There is also need to strengthen surveillance of operations to include porous borders. A platform for collection of other NTRs will also be prepared.

There is need to acquire science equipment and internal audit tools to increase collections from tax investigation. This will require a budget for equipment and training of staff.

To improve the quality of service: The service management framework will be institutionalized and service roles that champion service across the organization developed. The office concept will be reviewed and

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updated in relation to the service model. There is need to develop, review existing and institutionalize Standard Operating Procedures (SOPs) across the organization. Additionally, new service areas will be set up in Natete, Kyotera Kyaliwajala and Nansana.

Tax education: Comprehensive and segmented tax education will be carried out during FY 2016/17.

Exchange of Information: To honor the country's international obligations, the multi-lateral agreements on tax, URA will implement exchange of information. This will need a budget for administrative costs on implementation of information exchange

**Table V2.3: Allocations to Key Sector and Service Delivery Outputs over the Medium Term**

Billion Uganda Shillings	(i) Allocation (Shs Bn)				(ii) % Vote Budget			
	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19
Key Sector	122.7	122.7	115.7	147.6	51.4%	51.3%	43.3%	49.3%
Service Delivery	122.7	122.7	115.7	147.6	51.4%	51.3%	43.3%	49.3%

**Table V2.4: Key Unit Costs of Services Provided and Services Funded (Shs '000)**

### (iii) Vote Investment Plans

1.UGX.6.6Bn allocated to Enterprise Resource Planning (-HRMS, Financials, Procurement Component) will help achieve the following benefits:

- Improve productivity and efficiency
- Reduce duplication of data
- Empower staff with the right information at the right time
- Improve task management
- Enhance accuracy of data and information
- Ease sharing of information among the staff
- Eliminate most of the manual processes

2.UGX.20Bn allocated to URA HQ Building will help achieve the following:

- Improve service delivery-One stop center for URA operations in Kampala region
- Improve staff productivity and motivation-Better office facilities for URA staff
- Reduce cost of doing business- No monthly rental outlays-funds will be used to enhance business elsewhere

3.UGX.10.9Bn allocated to Disaster Recovery System & IT Licenses will help achieve the following:

- URA operations are largely automated and rely on IT to be available systems like ASYCUDA WORLD, eTAX, ECTS, PROCNET, Mail. These systems reside in the URA data centre and are behind the various services we provide to our taxpayers, partners and other clients.IT systems will sometimes fail and therefore, given how critical these are to the URA business, it is important that when they go down, they are recovered quickly before the business begins to get negatively impacted.

Disaster recovery (DR) is a mechanism that ensures:

- Continuity of IT services in the event of a major disruption
- Reduction of impact from known hazards
- Availability – It is estimated that for every hour when URA systems are off we have a delayed revenue of about 2 Billion shillings

URA has embarked on a project that will see this mechanism kick into play to reduce the time taken to recover. The project will also provide the following:

- Improved visibility into performance of IT systems & Services
- Security enhancement (Prevention, Detection, Correction)

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4.UGX.1.2Bn allocated to Plant and machinery(mini power house) will help achieve the following:  
-To take care of the increased power needs for Nakawa business complex including the new head quarters

**Table V2.5: Allocations to Capital Investment over the Medium Term**

Billion Uganda Shillings	(i) Allocation (Shs Bn)				(ii) % Vote Budget			
	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19
Consumption Expenditure(Outputs Provided)	191.2	191.2	201.9	233.8	80.2%	80.0%	75.5%	78.1%
Investment (Capital Purchases)	47.3	47.8	65.4	65.4	19.8%	20.0%	24.5%	21.9%
<b>Grand Total</b>	<b>238.5</b>	<b>239.0</b>	<b>267.3</b>	<b>299.2</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

UGX.6.6Bn has been allocated to Enterprise Resource Planning (-HRMS, Financials, Procurement Component)

UGX.20Bn has been allocated to URA HQ Building

UGX.10.9Bn has been allocated to Disaster Recovery System & IT Licenses

UGX.1.2Bn has been allocated to Plant and machinery(mini power house)

**Table V2.6: Major Capital Investments**

Project, Programme	2015/16		2016/17
Vote Function Output <i>UShs Thousand</i>	Approved Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
<b>Project 0653 Support to URA Projects</b>			
<b>145472 Government Buildings and Administrative Infrastructure</b>	URA Headquarter Building Construction	Construction of the URA headquarters building is ongoing	URA Headquarter Building Construction
	IDEP Project Admin Costs	.	IDEP Project Admin Costs
<b>Total</b>	<b>20,300,000</b>	<b>5,075,000</b>	<b>20,500,000</b>
<i>GoU Development</i>	<i>20,300,000</i>	<i>5,075,000</i>	<i>20,500,000</i>
<i>External Financing</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>145475 Purchase of Motor Vehicles and Other Transport Equipment</b>	Vehicle Lease	The vehicles were leased and the lease is paid yearly	.
<b>Total</b>	<b>5,044,848</b>	<b>1,261,212</b>	<b>6,044,847</b>
<i>GoU Development</i>	<i>5,044,848</i>	<i>1,261,212</i>	<i>6,044,847</i>
<i>External Financing</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>145476 Purchase of Office and ICT Equipment, including Software</b>	ERP-HRMS implementation	Staff were sensitized on ERP and user requirements were collected.	ERP
	Document Processing center		Computer Equipment
	Automated Value Control System	The construction of the document processing center is progressing and on going.	Mini Power House
	Paws Upgrade		
	Office Equipment (Projectors, Scanners, PCS, etc..)	The procurement of the PAW upgrade tool is on going.	
		Procurement of office equipment ( Projectors,Scanners, Computers etc ) is ongoing.	
<b>Total</b>	<b>3,240,000</b>	<b>810,000</b>	<b>8,000,000</b>
<i>GoU Development</i>	<i>3,240,000</i>	<i>810,000</i>	<i>8,000,000</i>
<i>External Financing</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>145477 Purchase of Specialised Machinery &amp;</b>	DR System Implementation	DR system implementation is ongoing	DR System Implementation

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Project, Programme Vote Function Output <i>US\$ Thousands</i>	2015/16		2016/17
	Approved Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
<b>Equipment</b>			
<b>Total</b>	<b>13,591,667</b>	<b>3,397,917</b>	<b>10,917,273</b>
<i>GoU Development</i>	<i>13,591,667</i>	<i>3,397,917</i>	<i>10,917,273</i>
<i>External Financing</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>145479 Acquisition of Other Capital Assets</b>	100% Of post MCP activities implemented	Implemented 100% post MCP activities during the quarter. These activities included; presentation of the post MCP status report, prepared the MCP closure communications and check list for the deliverables and carried out impact analysis for the components to be mainstreamed into the normal flow of URA's business.	Dataware House and Business Intelligence System
<b>Total</b>	<b>4,851,926</b>	<b>1,212,982</b>	<b>2,135,659</b>
<i>GoU Development</i>	<i>3,200,000</i>	<i>1,212,982</i>	<i>0</i>
<i>External Financing</i>	<i>1,651,926</i>	<i>0</i>	<i>2,135,659</i>

### (iv) Vote Actions to improve Priority Sector Outcomes

- Capacity building :
  - PODITI, PODITRA, e-commerce, telecom, transfer pricing , construction, oil & gas, Client Relationship Mgt, Gaming &
  - Betting , Data Analysis, Audit skills, Intelligence & Risk Mgt, Investigations and internal audit,
- Exchange of information and
  - money laundering, insolvency & negotiation skills)
  - Exposure & attachments (Steel & international taxation)
  - Specialized talent sourcing
  - Develop and implement sector led programs
- Work load Analysis and Structural Review
- Strengthen Partnership with withholding tax Agents
- Strengthen the PSO function to cover the whole country
- Implement the Tax Procedures Code (TPC)
- Institutionalize the Service Mgt Framework
- Review and update the Office concept in relation to the Service Model
- Operationalize the Single Point of Contact
- Review the Registration, Filing and Payments Processes to make them simpler
- Strengthen the Risk Management function
  - Implement the Real Time Risk Mgt solution (Customs)
  - Set up a Business intelligence team that picks information from the economy.
  - Implement Business Continuity Mgt (BCM)
- Increase collaboration with KCCA, NWSC, UMEME and Lands for sharing information on rental
- Increase collaboration with UCC & Telecom Companies to share information on Sim boxing
- Operationalize the SCT guidelines under the EAC
- Strengthen SCT Administration procedures
- Conduct specialized Tax Education for prioritized Sectors
- Implement operational business intelligence

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- Strengthen and extend ECTS to Mombasa
- Set up 4 Service Centers at Kyotera, Natete, Nansana & Kyaliwajala
- Implement the money laundering act and sensitize taxpayers and staff on it
- Intensify Surveillance operations on porous borders
- Create a platform for collection of other NTRs
- Implement the exchange of information(multi-lateral agreement on tax)
- .Roll out TREP to other regions
- Develop and implement Mobile Money Tax Payment module
- Conduct.Post Audit Impact assessment
- Conduct .Proper Receipt utilization/acquisition drives

**Table V2.7: Priority Vote Actions to Improve Sector Performance**

2015/16 Planned Actions:	2015/16 Actions by Sept:	2016/17 Planned Actions:	MT Strategy:
<b>Sector Outcome 1: Efficient service delivery through formulation and monitoring of credible budgets.</b>			
Vote Function: 14 54 Revenue Collection & Administration			
<i>VF Performance Issue: Compliance Management-shall focus on: Implementing intelligence management to support prosecution and strengthen the debt management function, Detecting and Deterring tax fraud and Evasion, identifying tax planning schemes.</i>			
-Strengthen litigation and prosecution function -Implement the national audit plan -Operationalize the oil and gas division -Implement the joint compliance strategy -Enhance risk selectivity profiling -Strengthen post clearance audits	Strengthened litigation and prosecution function.  Operationalized oil and gas division with staff posted to the unit.  Joint compliance strategy was developed in July-2015 and its implementation is on going.  Enhanced risk selectivity profiling in both customs department.  Strengthened post clearance audits.	-Strengthen capacity of staff in analysis of returns and follow up on any tax issues. -Strengthen High net worth individuals and VIP sections. -Implement the Real Time Risk Mgt solution (Customs) -Strengthen litigation and prosecution function	Increase collaboration with KCCA, NWSC, UMEME and Lands for sharing information on rental Increase collaboration with UCC & Telecom Companies to share information on Sim boxing
<i>VF Performance Issue: Enhancing staff competence and building capacity for sustainability of operations to achieve the vision by investing in employee development</i>			
Implementation of the training planner  Operationalise(STRAMAL) Model that is premised on three pillars namely: Strategy: Maintenance & Leadership.	The training planner for FY 2015/16 was approved by URA management and the implementation of the plan is going.  The staff development trainings for FY 2015/16 is based on the STRAMAL model focusing on leadership development, strategic and maintenance trainings, technical programs in tax administration and	Staff Capacity building in PODITI, PODITRA, and identified sectors based on risk analysis.	Capacity Building: The capacity building program for medium term strategy has been designed in accordance with the Strategy, Maintenance and Leadership (STRAMAL) Model that is premised on three pillars namely: Strategy: Maintenance & Leadership



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2015/16 Planned Actions:	2015/16 Actions by Sept:	2016/17 Planned Actions:	MT Strategy:
	professional development programs.		
<i>VF Performance Issue:</i>	<i>Strengthen Taxpayer Service Delivery by increasing e-tax Services available, decentralize motor vehicle and licensing services, implement the AEO (Authorized Economic Operator), review client service standards at corporate and departmental level.</i>		
-Decentralise revenue services	Revenue services were decentralised.	-Implement the Tax Procedures Code (TPC)	Managing Copmliance Programme:
-Design sector focused service packages		-Institutionalize the Service Management Framework	-Service Support Enhancement
-Implement tax education programmes	All services packages were developed focusing on the priority sectors of manufacturing and wholesale and retail trade.	-Review and update the Office concept in relation to the Service Model	-Customs Business Systems Enhancement
-Conduct industry based familiarization visits.		-Review the Registration, Filling and Payments Processes to make them simpler	-Integrated Tax Systems
-Develop and implement Service enhancement Programmes	Implemented 100% tax education programmes like ; media communcations, publications,feedback engagements, virtual & e-communications and Show case & visibility events.		-Operationalize the Single Point of Contact
-Hold Exhibitions	Conducted industry based familiarization visits under joint compliance initiatives in the construction and whole sale sectors. This involved visiting whole sale traders and constructors.		
	Developed and implemented service enhancement programmes ; These included tax hubs/clinics,talk shows, taxation announcement on community radios.		
	Held exhibitions, show case & visibility events.		

## V3 Proposed Budget Allocations for 2016/17 and the Medium Term

This section sets out the proposed vote budget allocations for 2016/17 and the medium term, including major areas of expenditures and any notable changes in allocations.

**Table V3.1: Past Outturns and Medium Term Projections by Vote Function\***

	2014/15 Outturn	2015/16		MTEF Budget Projections		
		Appr. Budget	Spent by End Sept	2016/17	2017/18	2018/19
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1454 Revenue Collection & Administration	208.983	238.534	59.645	239.018	269.435	299.203
<b>Total for Vote:</b>	<b>208.983</b>	<b>238.534</b>	<b>59.645</b>	<b>239.018</b>	<b>269.435</b>	<b>299.203</b>

### (i) The Total Budget over the Medium Term

URA MTEF Allocation for the medium term:

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2016/17 -UGX.238.77Bn; The major allocations are to Staff costs, Office maintenance & Capital development. The latter includes ; HeadQuarter construction, Enterprise Resource Planning , Vehicle Maintenance and IT licences

2017/18-UGX.267.35Bn. The allocation will be to staff costs, constructing the office block, office maintenance, and maintenance of the ERP.

2018/19-UGX.299.2Bn. The allocation will be to staff costs, office maintenance, and maintenance of the ERP, and

### (ii) The major expenditure allocations in the Vote for 2016/17

UGX.6.6Bn has been allocated to Enterprise Resource Planning (-HRMS, Financials, Procurement Component). This will improve sharing of information, elimination of manual processes, enhance data accuracy etc...

UGX.20Bn has been allocated to URA HQ Building. Once complete this will be a one stop center for URA operations in Kampala region and will provide better office facilities for URA staff

UGX.10.9Bn has been allocated to Disaster Recovery System & IT Licenses. This will ensure continuity of IT services in the event of a major disruption Reduction of impact from known hazards . Systems will now be available 24/7 – It is estimated that for every hour when URA systems are off we have a delayed revenue of about 2 Billion shillings.

UGX.1.2Bn has been allocated to Plant and machinery(mini power house). It will take care of the increased power needs for Nakawa business complex including the new head quarters

### (iii) The major planned changes in resource allocations within the Vote for 2016/17

There are no major changes in resource allocation from last financial year over the medium term.

**Table V3.2: Key Changes in Vote Resource Allocation**

Changes in Budget Allocations and Outputs from 2015/16 Planned Levels:			Justification for proposed Changes in Expenditure and Outputs
2016/17	2017/18	2018/19	
<i>Vote Function: 1475 Revenue Collection &amp; Administration</i>			
<b>Output:</b>	<b>1454 75</b>	<b>Purchase of Motor Vehicles and Other Transport Equipment</b>	
<i>US\$ Bn:</i>	1.000	<i>US\$ Bn:</i>	2.555 <i>US\$ Bn:</i> 2.555
<b>Output:</b>	<b>1454 76</b>	<b>Purchase of Office and ICT Equipment, including Software</b>	
<i>US\$ Bn:</i>	4.760	<i>US\$ Bn:</i>	-3.240 <i>US\$ Bn:</i> -3.240
Increased mobilisation		<i>Funds are meant for the e-tax linkage system to enhance revenue mobilisation</i>	
<b>Output:</b>	<b>1454 77</b>	<b>Purchase of Specialised Machinery &amp; Equipment</b>	
<i>US\$ Bn:</i>	-2.674	<i>US\$ Bn:</i>	5.214 <i>US\$ Bn:</i> 5.214
Reduced purchase of specialised machinery		<i>Funds were reallocated to other priority areas.</i>	
<b>Output:</b>	<b>1454 78</b>	<b>Purchase of Office and Residential Furniture and Fittings</b>	
<i>US\$ Bn:</i>	-0.086	<i>US\$ Bn:</i>	4.214 <i>US\$ Bn:</i> 4.214
<b>Output:</b>	<b>1454 79</b>	<b>Acquisition of Other Capital Assets</b>	
<i>US\$ Bn:</i>	-2.716	<i>US\$ Bn:</i>	3.148 <i>US\$ Bn:</i> 3.148
Reduced purchase of other capital assets		<i>Funds were reallocated to other priority areas.</i>	

## V4: Vote Challenges for 2016/17 and the Medium Term

This section sets out the major challenges the vote faces in 2016/17 and the medium term which the vote has been unable to address in its spending plans.

1.Systems enhancement with a cost estimate of UGX. 24.75Bn

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### Justification:

Licenses & premium maintenance costs for both software & hardware arising from implementation of Disaster Recovery solution & creation of a 2nd data centre.

### 2.Structural Review with the estimated cost of UGX.58.24Bn

#### Justification:

- Creation of new business functions in the organization
- Material changes in the business functions that require a change in roles
- Growth of the business portfolio that necessitates expansion of its administration structures
- Increase in staff requirements due to work volumes

### 3.Strategic Interventions estimated to cost UGX.66.05Bn.

Justification:-To improve compliance and Service delivery

## Table V4.1: Additional Output Funding Requests

Additional Requirements for Funding and Outputs in 2016/17:	Justification of Requirement for Additional Outputs and Funding
<i>Vote Function:1402 Revenue Collection &amp; Administration</i>	
<b>Output: 1454 02 Domestic Tax Collection</b>	
<i>UShs Bn: 0.000</i>	<p><i>Contingency costs for oil &amp; Gas-URA will be able to defend her self in court of law as a result we will increase on collections and reduce on damages/legal costs</i></p> <p><i>Alterations to be made to the eTAX system following the move to criminal focused processes in the way TID is doing business (Busines Process Re-engineering System Design User Acceptance Testing, Training Piloting Implementation).</i></p> <p><i>Roll out new driving permit process to Kampala and all regional offices-Improved service delivery as a result, the number of taxpayers renewing their permits will be increase which positively impacts on revenue yield.</i></p> <p><i>E-tax filing racks-These will support the implementation of the DMS module on Etax</i></p>
<b>Output: 1454 03 Tax Investigations</b>	
<i>UShs Bn: 0.000</i>	<p><i>Provison of equipment to enhance science and forensic laboratory will help in the smooth operation of the Forensics lab. Their availability would aid investigations and collection of evidence admissible in courts of law. For example;</i></p> <ol style="list-style-type: none"> <li><i>1. The equipment will greatly improve the processing power of the forensic examiner machines which will eventually reduce on the amount of time needed to process a case and extract evidence.</i></li> <li><i>2. The equipment will enable simultanious processing of the tasks in the forensic lab thus obtaining timely output.</i></li> <li><i>3. Increase the processing power in analysis of huge volumes of disk images.</i></li> <li><i>4. The equipment will be used for questioned documents examination</i></li> <li><i>5. Support the dual display capability of the forensics machines</i></li> <li><i>6. The Hard disks are used for storing data from computers seized from taxpayers. Their absence would complicate data extraction &amp; storage from computers and devices seized from taxpayers.</i></li> </ol>
<b>Output: 1454 72 Government Buildings and Administrative Infrastructure</b>	
<i>UShs Bn: 18.566</i>	<i>Construction of URA one stop centre building will save the organization vast resources in terms of rent, systems connectivity,</i>
<i>The funding for URA house is projected to last a perios of</i>	

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Additional Requirements for Funding and Outputs in 2016/17:	Justification of Requirement for Additional Outputs and Funding
three years. This is a shortfall on the the MTEF projection	<i>transport and communication expenses, as well as improve service delivery to our clients.</i>
<b>Output:</b> 1454 76 Purchase of Office and ICT Equipment, including Software <b>UShs Bn:</b> 0.000	<p><i>Unified Threat Management - Support and Maintenance-If Licence renewals are not made the license will be blocked and this will expose the ICT systems to various threats and attacks, hence, disruptions in service.</i></p> <p><i>LAN installation - 10 stations changing premises or Office movement-If not funded, movement of deserving offices can not take place</i></p> <p><i>Threat Detection Solution-If license not renewed URA systems security gets compromised and suffers being attacked without knowing</i></p> <p><i>Installation of IT LAB and test environment-Risk of tesing with live environment with possibility of accidentally damaging the system</i></p>

*This section discusses how the vote's plans will address and respond to the cross-cutting policy, issues of gender and equity; HIV/AIDS; and the Environment, and other budgetary issues such as Arrears and NTR..*

### (i) Cross-cutting Policy Issues

#### (i) Gender and Equity

<b>Objective:</b> 2.Reduce gender imbalance in the organisation
<i>Issue of Concern :</i> There are more males than females in the organisation
<i>Proposed Interventions</i>
Recruit staff based on demonstrated competances rather than gender.
<i>Budget Allocations</i> UGX billion 0
<i>Performance Indicators</i> Female to Male staff ratio
<b>Objective:</b> 1.Improve staff awareness on gender descrimination and sexual harrassment
<i>Issue of Concern :</i> Some staff try to dress indecently which may lead to sexual harrassment
<i>Proposed Interventions</i>
Regurally sensitise staff on the human resource manual and the disciplinery actions on indecent dressing and sexual harrasment
<i>Budget Allocations</i> UGX billion 0
<i>Performance Indicators</i> Number of staff sensitisations posted on mail

#### (ii) HIV/AIDS

<b>Objective:</b> Improve support to staff and their family members who are affected with HIV/AIDS
<i>Issue of Concern :</i> Staff and their family members affected with HIV/AIDS need extra support besides the general medical insurance provided to staff.

# Vote: 141 URA

## Vote Summary

### *Proposed Interventions*

Provide a special fund to cater for staff and their family members affected with HIV/AIDS.

*Budget Allocations* UGX billion      0.3

*Performance Indicators*    The ammount of money from MTEF allocated to support staff and their family members affected with HIV/AIDS.  
Number of staff and their family members affected with HIV/AIDS supported

### *(iii) Environment*

**Objective:** Improve staff sensistation on preserving the environment

*Issue of Concern* : Some staff do not appreciate the importance of preserving the environment

### *Proposed Interventions*

Develop and implement environmental protection initiatives

*Budget Allocations* UGX billion      0

*Performance Indicators*    Number of environmental protection initiatives implemented

### **(ii) Payment Arrears**

The table below shows all the payment arrears outstanding for the Vote:

### **(ii) Non Tax Revenue Collections**

The table below shows Non-Tax Revenues that will be collected under the Vote: