

ACTS SUPPLEMENT

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Act 13

Income Tax (Amendment) Act

2005

THE INCOME TAX (AMENDMENT) ACT, 2005

ARRANGEMENT OF SECTIONS

Section

- 1. Short title and commencement**
- 2. Amendment of section 2**
- 3. Amendment of section 21**

THE INCOME TAX (AMENDMENT) ACT, 2005

An Act to amend the Income Tax Act, Cap. 340 in order to provide for the tax treatment of collective investment schemes and interest earned by financial institutions on certain loans.

DATE OF ASSENT: 2nd November, 2005

Date of Commencement: 1st July, 2005

BE IT ENACTED by Parliament as follows:

1. Short title and commencement

This Act may be cited as the Income Tax (Amendment) Act, 2005 and shall be deemed to have come into force on 1st July, 2005.

2. Amendment of section 2

Section 2 of the Income Tax Act is amended by inserting immediately after the definition of "chargeable trust income" the following new definition—

"collective investment scheme" has the meaning assigned to it by section 3 of the Collective Investment Schemes Act, 2003."

3. Amendment of section 21

Section 21 of the Income Tax Act is amended in subsection (1) by inserting immediately after paragraph (s) the following—

“(t) income of a collective investment scheme to the extent of which the income is distributed to participants in the collective investment scheme;

(u) interest earned by a financial institution on a loan granted to any person for the purpose of farming, forestry, fish farming, bee keeping, animal and poultry husbandry or similar operations;

(v) emoluments payable to employees of the East African Development Bank with effect from 1st July, 1997.”

Cross references

Collective Investment Schemes Act, 2003 (Act No. 4 of 2003)