

H. Lwata

**ACTS SUPPLEMENT**

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**Act 3**

***Income Tax (Amendment) Act***

**2005**

**THE INCOME TAX (AMENDMENT) ACT, 2005.**

**ARRANGEMENT OF SECTIONS.**

***Section.***

- 1. Short title and commencement.**
- 2. Amendment of section 21.**
- 3. Amendment of section 22.**
- 4. Amendment of section 26.**
- 5. Amendment of Third Schedule.**

**THE INCOME TAX (AMENDMENT) ACT, 2005.****An Act to amend the Income Tax Act.**

DATE OF ASSENT: 11th December, 2004.

*Date of Commencement:* See section 1(2).

1<sup>st</sup> July 2004

Be it enacted by Parliament as follows:

**1. Short title and commencement.**

(1) This Act may be cited as the Income Tax (Amendment) Act, 2005.

(2) This Act shall come into force on 1st July, 2004.

**2. Amendment of section 21.**

Section 21 of the Income Tax Act, is amended in subsection (1) by substituting for paragraph (f) the following—

“(f) the income of an exempt organisation, other than—

(i) property income, except rent received by an exempt organisation in respect of immovable property and the rent is used by the lessor exclusively for the activities of the organisation specified in paragraph (bb) (i) of the definition of “exempt organisation” in section 2; or

(ii) business income that is not related to the function constituting the basis for the organisation’s existence;”

**3. Amendment of section 22.**

Section 22 of the principal Act is amended in subsection (2) by substituting for paragraph (i) the following—

“(i) a contribution or similar payment made to a retirement fund by the employee either for the benefit of the employee or for the benefit of any other person”

**4. Amendment of section 26.**

Section 26 of the principal Act is amended in subsection (2) by substituting for “five currency points” the words, “fifty currency points.”

**5. Amendment of Third Schedule.**

The principal Act is amended in the Third Schedule by substituting for Part VIII the following—

“Part VIII

ss. 119 and 119A.

*Withholding tax rate for goods and services transactions*

The withholding tax rate applicable for goods and services transactions and for imported goods under sections 119 and 119A is 6 percent”.