

MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

TAX POLICY DEPARTMENT

TAX EXPENDITURES REPORT, FY2019/20

Introduction

Over the past two decades, the Government of Uganda has made effort to rebuild the economy from four major fronts:

- Peace, security and good governance
- Fostering development of a private sector led self-sustaining economy.
- Rehabilitating and developing the necessary economic infrastructure to facilitate investment and production
- Mobilizing internal resources to minimize budget deficits.

These fronts are enabling Government to build a strong economy that will not only increase the levels of income but also strengthen the country's resource base. With a strong economy it is certain that Uganda will develop an adequate and sustainable tax revenue base.

In that regard, Government has over the years granted both discretionary and nondiscretionary tax incentives with a view to attract investment in strategic sectors that will create jobs and add value to local raw materials, promote exports and social welfare.

Whereas it is critical to grant these incentives to achieve the above mentioned objectives, it is also important for Government to periodically assess and report on the impact of these incentives. The impact ranges from number of jobs created, investment attracted, exports and revenue foregone. For purposes of this report, the assessment of tax incentives is focused on the impact on revenue.

2.0 Overall tax exemptions analysis

In FY 2019/20, total revenue foregone due to tax expenditures amounted to **UGX 5,030.45 billion**. As a percentage of Gross Domestic Product (GDP), this translated to **3.64%**, a decline by **0.07%** from **3.71%** registered in FY 2018/19. In FY 2019/20, the largest share of these tax expenditures were registered in international trade taxes (**UGX 2,129.38 billion**) while VAT tax expenditures registered **UGX 1,857.75 billion** and income tax tax-expenditures stood at **UGX 1,043.32 billion**. Summary findings are provided in Table 1.

Table 1: Summary of Tax Expenditures for FY2016/17-FY2019/20

Tax Expenditure Head	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Total Customs TEs (UGX, Bn)	915.22	913.01	1,972.11	2,129.38
Total VAT TEs (UGX, Bn)	1,119.05	1,409.54	1,791.70	1,857.75
Total Income TEs (UGX, Bn)	611.85	756.69	1,101.1	1,049.14
Total estimated TEs	2,646.12	3,079.24	4,864.91	5,036.27
GDP (base (2016/17))	108,051	119,964	131,008	138,283
Total TEs-GDP ratio	2.45%	2.57%	3.71%	3.64%

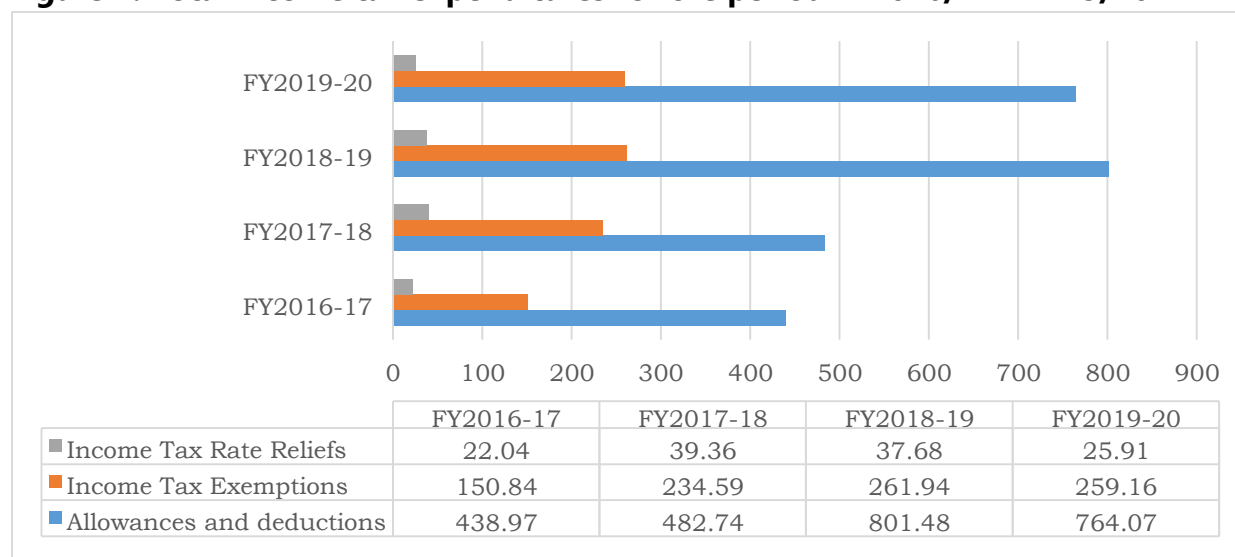
Source: Authors' calculations from data from URA data warehouse

Income Taxes Expenditures

Introduction: Income Tax Benchmark Definition

Included in the tax expenditure calculation as deviations from the benchmark are; exempt income, various income tax holidays, additional allowances and deductions and lower-than-benchmark withholding tax rates for special sectors. These are quantified, where possible, in the sections below. Summary findings are provided in Figure 1.

Figure 1: Total income tax expenditures for the period FY2016/17-FY2019/20



Source: Author's calculations using data from URA data warehouse

Revenue foregone from income tax expenditures decreased from **UGX 1,100.03 billion** in FY2018/19 to **UGX 1,043.32 billion** registered in FY 2019/20. This is mainly attributed to the fall in revenue loss arising from allowances and deductions that declined from UGX 800.41 billion in FY 2018/19 to UGX 758.25 billion in FY2019/20.

Income tax Exemptions

These comprise of among others; tax exemptions on employment income for specific groups of individuals, non-wage income of Members of Parliament, non-business capital gains and the business, investment and/or rental income of several groups of firms and the ten-year tax holidays for business and rental income to investors fulfilling specific criteria. They are either on individuals or corporations as provided in the analysis in Table 2 below.

Table 2: Revenue Foregone from Income Tax Exemptions

EXEMPTION	FY 2016/17	FY 2017/18	FY 2018/19	FY2019/20
Employment income tax for armed forces personnel	136.18	163.41	188.44	172.74
Tax on incomes of collective investment schemes	N/A	0.20	0.22	0.75
Tax on employment income for EADB employees	3.34	3.32	2.61	1.95
Employment income – other than basic salary – for MPs	N/A	85.72	83.10	82.24
Business and investment income tax for Bujagali Hydro Power Project until 2022	N/A	N/A	3.67	0.00
Business and investment income tax of SACCOs until 2027	1.80	1.82	0.53	0.27
Exemption of private retirement schemes from employment income tax	2.72	2.010	1.95	1.16
Dividends paid by a publicly traded company which came into existence through stock exchange	0.10	7.07	6.43	0.05
TOTAL (UGX, Bn.)	150.84	234.59	261.94	259.16

Source: Author's calculations using data from URA data warehouse.

The above estimates show that the revenue foregone due to income tax exemptions decreased in FY 2019/20 by 1.06% from UGX 261.94 billion in FY 2018/19. The above findings indicate that the biggest contributors to this revenue loss are exemptions related to; employment income tax for armed forces personnel and employment income – other than basic salary – for MPs which collectively account for 98.39% of this loss.

Allowances and Deductions

These include; deductions for interest incurred on mortgages, employing people with disabilities, charitable donations and employee training expenditure and 'accelerated deductibility' on certain assets. Some of these provisions exist on the Initial Allowance with respect to Plant and Machinery, Mineral and Petroleum Exploration Expenditure and Industrial Buildings. Table 3 below summarizes the estimated revenue foregone due to allowances and deductions as provided in the income tax Law.

Table 3: Revenue Foregone from Income Tax Allowances and Deductions

Allowance / Deduction:	FY2016/17	FY2017/18	FY2018/19	FY2019/20
For interest incurred on mortgage used to acquire or construct premises for rent or leasing	297.30	333.32	473.37	400.00
Accelerated deductibility of initial allowance for persons investing in plant and machinery outside of Kampala	8.14	15.48	157.11	231.51
For charitable donations	3.82	3.25	4.52	3.61
For employee training expenditure	38.87	37.90	60.57	41.89
Accelerated deductibility of mineral and petroleum exploration expenditure	0.0	0.0	0.0	0.07
Accelerated deductibility of initial allowance with respect to industrial buildings	90.84	92.79	105.91	86.99
TOTAL (UGX , Bn)	438.97	482.74	801.48	764.07

Source: Author's calculations using data from URA data warehouse.

Note: items numbers are The Tax expenditure repository numbers

Compared to FY 2018/19 the estimated revenue loss due to income tax allowances and deductions declined by 4.67% to UGX 764.07 billion registered in FY 2019/20. However, there was a drastic growth in revenue loss between FY 2017/18 and FY 2018/19 on account of re-instatement of the provisions for initial allowances on Plant and Machinery and Industrial Buildings (outside a 50km radius of Kampala) in the Income Tax (Amendment) Act 2017.

Rate Reliefs

Rate reliefs include rate relief on dividends paid by a resident company listed on the stock exchange to a resident shareholder, rate relief on payments for assets by a resident person, rate relief on reinsurance premiums, service fees by mining companies, internet connectivity fees and telecommunication service fees. The revenue foregone on account of the above is provided in Table 4 below.

Table 4: Revenue Foregone from Income Tax Rate Reliefs

Rate Relief	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Lower withholding tax rate on dividends paid by a resident company listed on the stock exchange to a resident stockholder	1.62	1.01	1.40	0.23
Lower withholding tax rate on payment of reinsurance premiums by a resident insurance company	1.60	2.59	2.60	2.89
Lower withholding tax rate on payment of service fees by mining and petroleum licensees	14.91	27.52	19.54	11.77
Lower withholding tax rate on payment of fees for direct-to-home pay services	N/A	0.88	0.10	0.16
Lower withholding tax rate on payment of fees for internet connectivity services to subscribers in Uganda	0.52	1.07	0.87	0.95
Lower withholding tax rate on payment of fees by a resident person for telecommunication services	0.52	1.72	5.26	3.11
Lower withholding tax rate on payment of transportation charges by a resident person to a non-resident	2.87	4.57	7.91	6.80
TOTAL (UGX, Bn)	22.04	39.36	37.68	25.91

Source: Author's calculations using data from URA data warehouse.

Note: items numbers are The Tax expenditure repository numbers

The estimated revenue foregone due to reduce rates/ rate relief in FY2019/20 was UGX 25.91 billion against UGX 37.68 billion for FY 2018/19. This is mainly attributed to the drastic fall in revenue loss due to lowering withholding tax rate on payment of service fees by mining and petroleum licensees that reduced from UGX 19.54 billion in FY 2018/19 to UGX 11.77 billion in FY 2019/20.

VALUE ADDED TAX EXPENDITURES

The benchmark VAT rate in Uganda is **18%** of the value of the good or service supplied. A number of goods and services are exempt or zero-rated but are not considered as tax expenditures and thus embedded in the benchmark. This is due to numerous technical, social, or political challenges involved in levying VAT on such items.

Summary of revenue foregone from VAT expenditures

Estimates of Tax Expenditures from VAT in Uganda for the years FY 2016/17 – FY 2019/20 were categorized under; exemptions, allowances, rate reliefs and deferrals are summarized in the table 5 below

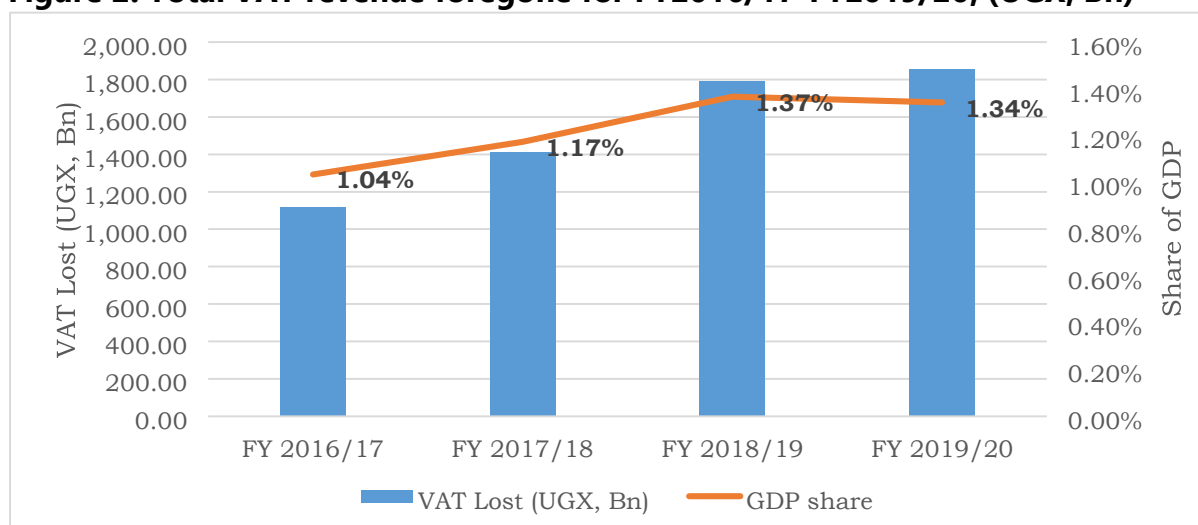
Table 5: Summary of Revenue Foregone from VAT for FY2017 – FY2019/20

	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Exemptions	778.49	860.16	1,017.84	1,233.91
Allowances	42.54	145.26	382.74	355.01
Rate reliefs ¹	258.74	321.49	327.06	190.66
Deferrals	39.28	82.63	64.06	78.17
TOTAL VAT Expenditures	1,119.05	1,409.54	1,791.70	1,857.75

Source: Authors' calculations from URA data warehouse

Tax expenditures under VAT amounted to UGX 1,857.75 billion in FY 2019/20, an increase of 3.69% from UGX 1,791.70 billion in FY 2018/19. In terms of GDP, the ratio of loss increased from 1.04% in FY2016/17 to 1.34% in FY2019/20. This is mainly attributed to the revenue foregone due to VAT exempt supplies.

Figure 2: Total VAT revenue foregone for FY2016/17-FY2019/20, (UGX, Bn)



Source: URA Data warehouse, UBOS and analyst's own computations

¹ This covers zero rate goods and services as indicated in table 8 below

Value Added Tax Expenditures from Exemptions

The value of revenue foregone due to VAT exemptions rose from UGX 1,017.84 billion in FY 2018/19 to UGX 1,233.91 billion in FY 2019/20. This performance is mainly attributed to exemptions *under the EACCMA* which accounted for 76.01% of the total estimated revenue foregone from VAT exemptions as highlighted in the Table 6 below.

Table 6: Revenue Foregone from VAT Exemptions, FY 2016/17 – FY 2019/20

EXEMPTION	FY16/17	FY17/18	FY18/19	FY19/20
Livestock, unprocessed foodstuffs and unprocessed agricultural products.	32.627	43.589	58.570	163.57
Supply of services, inputs, machinery, tools and implements suitable for use only in agriculture.	9.531	46.520	32.323	14.51
Supply of dental, medical, and veterinary goods	40.305	34.645	20.188	22.70
Supply of animal feeds and premixes;	0	3.12	6.08	26.11
Supply of batteries and lanterns.	0	0.03	0.08	0.11
Supply of solar devices and equipment	9.38	11.34	12.30	14.89
Supply of lifejackets, lifesaving gear, headgear & speed governors	1.06	0.94	1.35	1.42
Supplies to contractors and Subcontractors in energy projects	27.30	29.31	37.40	31.12
Textile manufacturing operations, equipment and inputs.	0	0	12.54	14.55
Supply of production inputs for iron ore smelting, limestone mining and processing, processing of hides and skins	0	0	13.35	7.08
All goods categorized as "Exemptions" under the EACCMA	658.29	690.66	823.66	937.85
TOTAL TES FROM VAT EXEMPTIONS (UGX)	778.493	860.158	1,017.843	1,233.905

Source: Authors' calculations using data from URA data warehouse.

Allowances

These include Deemed VAT payment on supplies by a contractor to a licensee under mining or petroleum operations, Deemed VAT on supplies to a contractor executing an aid funded project and Deemed VAT on supplies by contractors executing aid funded projects to a government ministry, department or agency. See Table 7 for details.

Table 7: Revenue foregone from VAT Allowances (Deemed VAT)

Nature of sale	2016/17	2017/18	2018/19	2019-20
Capital/Business Assets	0.05	4.23	2.39	4.43
Standard Rated Sales	42.49	141.80	380.41	386.69
Grand Total	42.54	146.03	382.8	391.12

Source: Authors' calculations using data from URA data warehouse.

The revenue foregone from VAT allowances decreased from UGX 382.74 billion in FY 2018/19 to UGX 355.01 billion in FY2019/20. The majority of this estimated revenue foregone for VAT allowances comes from deemed VAT on standard rated sales like cement sold to contractors implementing donor funded projects.

Rate Reliefs

VAT revenue foregone from rate reliefs was estimated at UGX 190.66 billion in FY 2019/20, a decline of 41.70% compared to FY 2018/19. This is attributed to the relief on the '**Supply of drugs and medicines**' which registered a revenue foregone of UGX 135.86 billion in FY 2019/20 compared to the UGX 267.28 billion in FY2018/19.

Table 8: Revenue Foregone from VAT Rate Reliefs², FY16/17– FY19/20

RATE RELIEF	FY16/17	FY17/18	FY18/19	FY19/20
1. Supply of drugs and medicines	207.07	253.22	267.28	135.86
2. Supply of educational materials	11.23	16.40	18.16	18.07
3. Agricultural inputs	17.85	25.94	13.75	12.75
4. Supply of sanitary towels	4.64	4.91	6.27	3.88
6. Cereals	5.78	9.38	7.88	9.02
7. Handling services	12.17	11.64	13.72	11.08
TOTAL TES FROM VAT RATE RELIEFS	258.74	321.49	327.06	190.66

Source: Authors' calculations using data from URA data warehouse

Deferrals

This category focuses on '*the deferment of VAT payments on the importation of capital equipment (capital and machinery)*'. Revenue foregone in FY 2019/20 amounted to UGX 78.17 billion, a growth of 22.03% from the UGX 64.06 billion in FY2018/19.

Table 9: Revenue Foregone from VAT Deferrals, FY2016/17 – FY2019/20

DEFERRAL	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Deferment of VAT payments on importation of capital equipment (plant and machinery)	39.28	82.63	64.06	78.17
TOTAL TES FROM VAT DEFERRALS (UGX, bn.)	39.28	82.63	64.06	78.17

Source: Authors' calculations using data from URA data warehouse

Customs Duties

The benchmark ad valorem import tariff for the majority of goods is 25%. Thus, the Tax Expenditure (TE) for these goods is 25% of the import value. For some other goods, however, the benchmark tariff is 10%, 35% or a specific rate. For some categories of TE, the benchmark was taken as an 'Effective Tax Rate' (ETR), which is computed as a weighted sum of the value of goods and services subject to the 10%, 25% and 35% rates. However, the most standard duty rate on imports being 25% all computations under this category of expenditures were made using 25%. A summary is provided in Table 10.

² This represents zero rated supplies which have been identified as tax expenditures under the World Bank Repository

Table 10: Summary of Revenue foregone, Customs FY2016/17 – FY2018/19

Tax Expenditure Category	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Total TEs from exemptions	726.43	733.26	1,736.34	1,902.72
Total TEs from customs rate reliefs	188.79	179.75	235.77	226.66
Total Customs TEs (UGX, Bn)	915.22	913.01	1,972.11	2,129.38

Source: Authors' calculations using data from URA systems

Revenue foregone from Customs tax expenditures increased from UGX 1,972.11 billion in FY2018/19 to UGX 2,129.38 billion in FY2019/20 which represents 7.97% increase in revenue loss, mainly on account of Government support to local manufacturers through rate relief on inputs.

Exemptions

Revenue foregone due to customs exemptions rose from UGX 1,736.53 billion in FY 2018/19 to UGX 1,903.13 billion in FY 2019/20, an increase of 9.59%, mainly attributed to revenue foregone due to 'Goods imported under Manufacture under bond (MUB)'. Details are given in Table 11.

Table 11: Revenue foregone from import duty exemptions

EXEMPTION	FY16/17	FY17/18	FY18/19	FY19/20
1. Goods and Equipment for use in Aid Funded Projects	620.59	562.93	709.25	654.50
2. Gas cylinders	0.01	0.16	0.02	0.09
3. Preparations for cleaning dairy apparatus	0.02	0.00	0.00	0.01
4. Seeds for Sowing	11.79	9.52	8.04	10.63
5. Chemically defined compounds used as fertilizers	23.33	8.47	6.01	5.92
6. Diapers, Urine bags and hygienic bags	0.11	0.12	0.21	0.25
7. Diagnostic Reagents, Equipment & Blood collection tubes	28.64	77.99	42.62	73.18
8. Horticulture, Aquaculture, Agriculture / Floriculture Inputs	3.89	5.94	5.67	4.77
9. Packaging Material for Medicaments	4.37	5.12	5.21	4.37
11. Equipment for pharmaceutical manufacturers.	1.17	4.16	2.18	2.44
12. Specialized Solar equipment and accessories	17.09	20.69	26.99	13.15
13. Specially designed motor vehicles	0.01	0.02	0.02	0.00
14. Motor Vehicles for Transportation of Tourists	0	0	103.60	67.37
15. Security Equipment	0.07	0.07	0.13	0.07
16. Battery-Operated Vehicles	0	0	0.16	0.46
18. Exempting refrigeration equipment	2.26	4.05	4.51	3.81
19. Exempting Hotel Equipment	0.11	0.23	0.20	0.08
21. Specialized motor vehicles and equipment.	0.79	1.00	1.40	1.40
24. Items imported for use in licensed hospitals	3.42	2.84	2.39	1.08
25. Machinery, Spares & Inputs for Direct use in Oil, Gas & mineral exploration.	2.56	2.72	38.34	6.09
28. Goods imported under Manufacture under bond (MUB)	6.38	27.28	779.58	1,053.46
TOTAL TEs FROM EXEMPTIONS (UGX bn.)	726.61	733.31	1736.53	1,903.13

Rate Reliefs

These include the goods under 'Stays of Application' and / or 'Remission of duty', both of which must be renewed annually. Details are provided in Table 12.

Table 12: Revenue Foregone from Customs Rate Reliefs for FY2016/17 – FY2019/20 (UGX bn.)

RATE RELIEF	2016/17	2017/18	2018/19	2019/20
Wheat grain.	135.28	112.42	148.21	153.79
Jacquard Material for Making Spring mattresses (printed with Logo)	N/A	0.19	0.29	0.35
Penstock pipes for use in Hydro Electric Power Projects.	0.68	1.22	1.70	0.90
Barley	0.12	0.00	0.00	0.00
Poly Vinyl Alcohol	0.07	0.02	0.08	0.07
Reduced rates for Maternity (Mama) kit.	0.00	0.00	0.03	0.00
Other soap in other forms – Soap Noodles	0.14	0.20	0.3	0.36
Poly Cotton Material for making Mattresses.	N/A	0.01	0.01	0.01
Motor Vehicles for Transport of Goods with Gross Vehicle Weight Exceeding 5 Tons But not exceeding 20 Tons.	14.32	17.51	16.96	15.48
Motor Vehicles for transport of goods with gross vehicle weight exceeding 20 tons.	0	0.00	0	0
EFD, - Cash registers, point of sale (POS), Cashless machines	N/A	0.00	0.00	0.00
Road tractors for semitrailers	6.09	7.62	9.79	9.44
Inputs for the manufacture Roofing tiles coated with acrylic paint and the weather side coated with natural sand granules	0	0	0.33	0.49
Organic surface-active agents (Anionic) (LABSA)	0	0.47	0.80	1.06
Organic surface-active agents (Cationic) Other organic surface agents	0	0.05	0.07	0.09
Umbrella heads for roofing nails	N/A	N/A	0.41	0.00
Unassembled flat iron (CKD) – inputs for assembly	N/A	N/A	0.24	0.09
Odoriferous mixtures of a kind used as raw materials in the food or drink industries	1.33	1.93	3.68	2.58
Completely Knocked Down Kits (CKD) for Motor Cycles	N/A		10.32	8.12
Other orange juice, frozen or not frozen; Other, apple juice; Active yeasts; Petroleum jelly; Polyurethane resins – Other Unbleached Kraftliner in rolls or sheets; Other unbleached kraft paper and paperboard etc.	0.22	0.21	0.18	0.01
Polyurethane resins; Unprinted;	N/A	N/A	0.76	0.48
Unbleached sack kraft paper in rolls or sheets; Paper and paperboard coated, impregnated or covered with plastics (excluding adhesives).	8.96	16.94	13.21	11.45
Raw materials and industrial inputs for manufacture of textile (garments):	9.56	8.87	13.44	10.45
Raw materials and industrial inputs for the manufacture of footwear (shoes):	10.03	9.24	13.97	11.41
Base Oil	2.04	2.67	2.77	0.03
TOTAL TEs FROM CUSTOMS RATE RELIEFS (UGX)	188.79	179.75	235.77	226.66

Source: Authors' calculations using data from URA data warehouse.

Total revenue foregone from Rate Reliefs declined from UGX 235.77 billion in FY 2016/17 to UGX 226.66 billion in FY 2019/20 representing decline of 4.58%, mainly on account of revenue loss on wheat grain imports (rate relief of 25% down from 35% import duty). This accounted for 67.85% of total revenue foregone in FY 2019/20.

Appendix I: FY2019/20 revenue loss on import of goods for manufactured under bond

Row Labels	Imports (Bn, UGX)	Import duty loss	Share of loss
Bullion Refinery Limited	1,959.75	489.94	47%
African Gold Refinery Limited	1,868.39	467.10	44%
Metal Testing And Smelting Co. Ltd	309.60	77.40	7%
Simba Gold Refinery Limited	31.03	7.76	1%
Wagagai Limited	10.67	2.67	0%
Cascade Industries Limited	9.61	2.40	0%
Uganda Baati Ltd	3.97	0.99	0%
Fine Spinners Uganda Ltd	3.67	0.92	0%
Fiduga Limited	2.87	0.72	0%
Xclusive Kalanchoe (U) Limited	2.54	0.64	0%
Alfil Millers Uganda Ltd	2.41	0.60	0%
Rosebud Limited	1.78	0.44	0%
Royal Van Zanten Limited	1.57	0.39	0%
Xclusive Chrysanthemum Uganda Ltd	1.31	0.33	0%
Nilus Group Limited	0.97	0.24	0%
Jambo Roses Ltd	0.86	0.22	0%
J.P Cuttings Limited	0.85	0.21	0%
Xclusive Young Plants Limited	0.64	0.16	0%
Sseko Designs Limited	0.58	0.15	0%
Aurum Roses Limited	0.34	0.08	0%
Pearl Flowers Ltd.	0.18	0.05	0%
Mairye Estates Limited	0.17	0.04	0%
Burhani Engeneering And Cylinder Manufacturing Industry (U) Limited	0.16	0.04	0%
Xclusive Cuttings Uganda Limited	0.00	0.00	0%
Total	4,213.93	1,053.48	100%

Appendix II: Initial allowance on plant and Machinery Revenue Loss by Sector

Sector Description	Initial allowance Plant Machinery				Estimated Revenue Loss			
	2016-17	2017-18	2018-19	2019-20	2016-17	2017-18	2018-19	2019-20
D-Electricity, gas, steam and air conditioning supply	-	0.04	71.34	441.68	-	0.01	21.40	132.50
J-Information and communication	-	3.12	123.80	114.25	-	0.94	37.14	34.28
C-Manufacturing	7.11	0.02	225.23	91.93	2.13	0.01	67.57	27.58
F-Construction	0.02	0.00	56.45	51.64	0.01	0.00	16.94	15.49
L-Real estate activities	16.53	0.01	35.47	29.18	4.96	0.00	10.64	8.75
A-Agriculture, forestry and fishing	0.08	0.11	1.52	20.75	0.02	0.03	0.46	6.22
G-Wholesale and retail trade; repair of motor vehicles and motorcycles	0.26	0.08	2.59	15.75	0.08	0.02	0.78	4.73
K-Financial and insurance activities	0.14	45.26	2.44	3.74	0.04	13.58	0.73	1.12
M-Professional, scientific and technical activities	-	0.11	0.84	0.83	-	0.03	0.25	0.25
P-Education	2.19	1.04	0.12	0.83	0.66	0.31	0.04	0.25
Q-Human health and social work activities	0.03	0.16	0.31	0.25	0.01	0.05	0.09	0.08
S-Other service activities	0.00	1.14	0.12	0.21	0.00	0.34	0.04	0.06
H-Transportation and storage	0.03	0.08	0.05	0.21	0.01	0.02	0.01	0.06
N-Administrative and support service activities	-	0.30	1.92	0.15	-	0.09	0.58	0.04
I-Accommodation and food service activities	0.54	0.03	1.08	0.13	0.16	0.01	0.32	0.04
B-Mining and quarrying	-	-	-	0.12	-	-	-	0.04
R-Arts, entertainment and recreation	0.19	0.10	0.00	0.07	0.06	0.03	0.00	0.02
O-Public administration and defence; compulsory social security	-	-	0.41	-	-	-	0.12	-
TOTALS	27.12	51.6	523.7	771.7	8.14	15.48	157.11	231.51

Appendix III: Revenue loss on mortgage interest by Sector

Sector Description	Interest on Mortgages				Estimated Revenue Loss			
	2016-17	2017-18	2018-19	2019-20	2016-17	2017-18	2018-19	2019-20
K-Financial and insurance activities	585.25	693.62	1,088.28	970.07	175.57	208.09	326.48	291.02
C-Manufacturing	95.19	132.78	135.22	101.89	28.56	39.83	40.57	30.57
J-Information and communication	53.78	36.13	52.22	84.58	16.14	10.84	15.67	25.37
G-Wholesale and retail trade; repair of motor vehicles and motorcycles	80.68	73.33	96.94	70.33	24.20	22.00	29.08	21.10
L-Real estate activities	96.00	100.25	116.52	65.19	28.80	30.08	34.96	19.56
F-Construction	24.95	24.29	31.40	13.56	7.49	7.29	9.42	4.07
H-Transportation and storage	12.40	13.83	11.44	9.19	3.72	4.15	3.43	2.76
A-Agriculture, forestry and fishing	11.60	12.52	11.97	6.00	3.48	3.76	3.59	1.80
I-Accommodation and food service activities	14.56	8.21	5.73	5.89	4.37	2.46	1.72	1.77
Q-Human health and social work activities	3.33	4.09	3.47	2.34	1.00	1.23	1.04	0.70
S-Other service activities	0.55	0.63	0.49	1.06	0.16	0.19	0.15	0.32
M-Professional, scientific and technical activities	1.03	1.25	1.05	0.86	0.31	0.38	0.31	0.26
B-Mining and quarrying	0.12	0.40	0.42	0.82	0.03	0.12	0.13	0.25
P-Education	2.89	2.64	2.82	0.66	0.87	0.79	0.85	0.20
E-Water supply; sewerage, waste management and remediation activities	1.50	2.64	0.95	0.54	0.45	0.79	0.29	0.16
R-Arts, entertainment and recreation	0.42	0.32	0.34	0.20	0.13	0.10	0.10	0.06
N-Administrative and support service activities	1.69	2.53	2.49	0.09	0.51	0.76	0.75	0.03
O-Public administration and defence; compulsory social security	4.39	0.35	15.20	0.04	1.32	0.11	4.56	0.01
UNKNOWN	0.09	0.01	0.04	0.03	0.03	0.00	0.01	0.01
D-Electricity, gas, steam and air conditioning supply	0.57	1.23	0.90	-	0.17	0.37	0.27	-
U-Activities of extraterritorial organizations and bodies	-	0.01	0.01	-	-	0.00	0.00	-
TOTALS	991.00	1,111.07	1,577.91	1,333.33	297.30	333.32	473.37	400.00

Appendix IV: Import Duty loss on imports for Aid funded projects

Sector Description	2016-17	2017-18	2018-19	2019-20	2016-17	2017-18	2018-19	2019-20
	Import values				Import duty lost			
M-Professional, scientific and technical activities ³	13.73	19.51	24.22	1,231.04	3.43	4.88	6.05	307.76
F-Construction	621.35	858.39	1,912.18	483.08	155.34	214.60	478.05	120.77
O-Public administration and defence; compulsory social security	451.35	246.74	334.11	372.46	112.84	61.69	83.53	93.11
S-Other service activities	1,223.9	931.22	308.32	233.11	305.98	232.81	77.08	58.28
D-Electricity, gas, steam and air conditioning supply	106.3	135.93	166.85	214.10	26.57	33.98	41.71	53.53
E-Water supply; sewerage, waste management and remediation activities	10.43	7.32	16.14	32.41	2.61	1.83	4.04	8.10
U-Activities of extraterritorial organizations and bodies	38.37	26.85	31.98	26.70	9.59	6.71	7.99	6.67
G-Wholesale and retail trade; repair of motor vehicles and motorcycles	-	6.35	24.16	8.68	-	1.59	6.04	2.17
Q-Human health and social work activities	11.02	10.05	11.62	6.12	2.75	2.51	2.90	1.53
N-Administrative and support service activities	-	0.47	0.55	2.96	-	0.12	0.14	0.74
C-Manufacturing	1.42	0.03	2.12	2.81	0.36	0.01	0.53	0.70
P-Education	0.31	0.51	0.50	2.05	0.08	0.13	0.12	0.51
UNKNOWN	0.32	0.10	-	1.14	0.08	0.02	-	0.28
A-Agriculture, forestry and fishing	0.42	0.61	0.85	0.77	0.11	0.15	0.21	0.19
K-Financial and insurance activities	3.47	7.58	0.48	0.25	0.87	1.90	0.12	0.06
J-Information and communication	-	0.06	2.81	0.19	-	0.01	0.70	0.05
H-Transportation and storage	-	-	0.11	0.12	-	-	0.03	0.03

³ There was an increase in import values of machinery and equipment used in science activities which account for 98.70% of the total imports under the sector values (UGX 1,215.20 Bn). Majority of these are those under machinery and apparatus for filtering / purifying water imported by Monfalcone Consulting Limited. These were followed by import of Photosensitive Semiconductor Devices; Light Emitting Diodes which amounted to UGX 88.83Bn in FY2019/20.

Appendix V: Deemed VAT on local sales by Sector

Sector Description	Amount of sales				Deemed VAT on local sales			
	2016-17	2017-18	2018-19	2019-20	2016-17	2017-18	2018-19	2019-20
F-Construction	147.24	425.59	1,451.03	1,436.63	26.50	76.61	261.19	258.59
C-Manufacturing	9.42	57.19	140.37	181.14	1.70	10.29	25.27	32.61
G-Wholesale and retail trade; repair of motor vehicles and motorcycles	13.63	88.32	169.52	151.02	2.45	15.90	30.51	27.18
D-Electricity, gas, steam and air conditioning supply	2.39	41.73	83.51	113.64	0.43	7.51	15.03	20.46
M-Professional, scientific and technical activities	26.25	57.89	117.35	92.18	4.73	10.42	21.12	16.59
J-Information and communication	2.20	10.50	32.17	46.06	0.40	1.89	5.79	8.29
A-Agriculture, forestry and fishing	2.24	15.11	17.87	31.89	0.40	2.72	3.22	5.74
N-Administrative and support service activities	14.72	12.41	13.97	27.48	2.65	2.23	2.52	4.95
B-Mining and quarrying	7.72	20.23	23.63	15.76	1.39	3.64	4.25	2.84
S-Other service activities	0.17	15.01	15.15	15.09	0.03	2.70	2.73	2.72
L-Real estate activities	2.47	12.51	16.11	11.12	0.45	2.25	2.90	2.00
H-Transportation and storage	4.30	12.75	9.78	8.61	0.77	2.30	1.76	1.55
K-Financial and insurance activities	1.35	3.28	16.40	7.52	0.24	0.59	2.95	1.35
E-Water supply; sewerage, waste management and remediation activities	1.07	5.21	1.44	6.49	0.19	0.94	0.26	1.17
I-Accommodation and food service activities	0.61	7.08	3.46	1.69	0.11	1.27	0.62	0.30
Q-Human health and social work activities	0.12	2.67	1.05	1.58	0.02	0.48	0.19	0.28
T-Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	-	-	0.10	0.22	-	-	0.02	0.04
R-Arts, entertainment and recreation	-	0.03	0.00	0.14	-	0.01	0.00	0.03
O-Public administration and defence; compulsory social security	0.13	0.27	0.47	0.05	0.02	0.05	0.08	0.01

