

**THE CONSOLIDATED EXCISE TARIFF ACT AMENDED UP TO 2003**

**CHAPTER 338  
THE EXCISE TARIFF ACT  
Arrangement of Sections**

**Section**

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**CHAPTER 338  
THE EXCISE TARIFF ACT.**

**Commencement: 1 November, 1954.**

**An Act to impose excise duties and for other matters relating thereto and connected therewith.**

**1. Construction.**

This Act shall be read and construed together with the East African Excise Management Act, hereafter referred to as “the Management Act”.

**2. Interpretation.**

(1) In this Act, unless the context otherwise requires-

(a) “retail selling price” in relation to cigarettes or tobacco means the price declared to the Commissioner General by the manufacturer at which the manufacturer’s cigarettes and tobacco will be sold by retail;

(b) “sugar” means sugar of any description, finished or unfinished, and any product of any sugar manufacturing operation containing saccharine matter, but does not include glucose, jaggery, molasses, sugar candy, exhausted sugar cane pulp or brown sugar made by a person, and in premises approved by the Minister responsible for finance and in the manufacture of which neither a vacuum pan nor a vacuum evaporator has been employed.

(2) Subject to this section, the expressions contained in this Act shall be deemed to have the meanings assigned to them in the Management Act.

**3. Imposition of excise duty.**

(1) There shall be charged in respect of the manufacture in Uganda of the goods specified by the Schedule to this Act excise duties at the rates specified by the Schedule; and the excise duties shall be levied, collected and paid in accordance with the Management Act.

(2) The Minister may, by statutory order, amend the Schedule to this Act.

(3) Notwithstanding subsection (1), there shall be charged in respect of goods imported into Uganda, specified by the Schedule to this Act, excise duties at the rates specified by the Schedule.

**INSERTED BY EXCISE TARIFF (AMENDMENT) ACT, 2002**

**Date of commencement: 1<sup>st</sup> July 2001.**

**Excise duty on airtime or talktime**

3A (1) There shall be charged in respect of the provision of airtime or talktime for mobile cellular phones, excise duty at the rate specified in specified in Schedule 2 to this Act.

(2) The duty shall be levied on the usage charges and access charges pre-paid or post-paid, charged by mobile cellular phone service providers for the use of cellular phone services.

(3) The duty shall be collected and paid by the mobile cellular phone service providers licensed by the Uganda Communications Commission established by the Uganda Communications Act, 1997, in accordance with the provisions of the Management Act.

(4) Where no usage fee is charged, or where there is an application to own use by the cellular phone service provider for the purpose of its business activities, the duty shall be charged on the market value of the cellular phone services provided, as if this were a sale on the open market.

(5) The excise duty shall be charged together with the Value Added Tax but the credit input tax allowed under section 29 of the Value Added Tax Statute shall not apply to the excise duty.

(6) The taxable value of the usage charges shall be determined in accordance with section 22 of the Value Added Tax Statute.

(7) Every mobile cellular phone service provider that collects excise duty under this Act shall lodge a tax return with the Commissioner General on the prescribed form and pay the tax due by the fifteenth day of the following month.

(8) The provisions of the Management Act shall, with necessary modifications, apply to the payment and enforcement of the duty.

**INSERTED BY EXCISE TARIFF (AMENDMENT) ACT 2003.**

**Date of commencement: 1<sup>st</sup> July 2003.**

**Excise tax on cigarettes and beers**

**3B** (1) Notwithstanding the rate of excise duty charged in respect of cigarettes falling under heading 2402, of Part I of the Second Schedule to the Finance (No. 2) Act 2002, the rate of excise duty charged in respect of the manufacture in Uganda of cigarettes containing tobacco shall be the ad valorem rate of 130%.

**3B** (2) Notwithstanding the rate of excise duty charged in respect of beverages, spirits and vinegar falling under Chapter 22 of Part 1 of the Second Schedule to the Finance (No. 2) Act 2002, the rate of excise duty charged in respect of the manufacture in Uganda of beer whose local raw material content, excluding water, is at least 75% by weight of its constituents, shall be the rate of 20%.

**4.** Functions of the Commissioner General.

The Commissioner General shall be responsible for the collection and administration of excise duties in accordance with this Act and the Management Act.

**5. Duty computed on maximum weight of a category.** Where the excise laws provide that any excisable goods shall be packed in containers according to certain categories of weight, then the excise duties on the goods in any such container shall be computed on the maximum specified weight of the category into which the goods fall.

**6. Effect of alteration in excise duties.**

If, after any agreement has been entered into for the sale or delivery of any excisable goods at a price inclusive of excise duty, any alteration takes place in the rate or amount of excise duty so included before such duty becomes due, then, in the absence of express written provisions to the contrary, the agreement shall have effect as follows-

(a) in the event of the alteration being a new or increased duty, the seller, after payment of the new or increased duty, may add the difference caused by the alteration to the agreed price;

(b) in the event of the alteration being the abolition or reduction of duty, the purchaser may deduct the difference caused by the alteration from the agreed price;

(c) any refund or payment of increased duty resulting from the alteration not being finally adopted shall be allowed between the parties as the case may require.

**7. Remission, rebate and refund.**

(1) Notwithstanding section 3, the Minister may, if he or she is satisfied that it is in the public interest to do so, by statutory order, remit in whole or in part the duty payable by any person on any goods purchased directly from the manufacturer of the goods, subject to such conditions as may be specified.

(2) Notwithstanding section 3, a remission or rebate of any excise duty payable, or a refund of any excise duty paid, shall be granted by the Commissioner General in accordance with the excise laws.

(3) Whenever in Kenya or Tanzania the excise duty on sugar is less than the excise duty in Uganda, the Commissioner General shall grant a remission or rebate of excise duty on all sugar he or she is satisfied has been exported from Uganda to either of those territories for consumption in the territory equal to the difference of duty paid in Uganda and the duty that would have been payable in the territory to which the sugar has been exported if it had been manufactured in that territory.

**8. Remission of duty on spirits.**

(1) Notwithstanding section 3, the Commissioner General shall remit the duty on any spirits-

(a) if he or she is satisfied that they have been used in the manufacture of specially denatured spirits by a denaturer at that denaturer's factory and if he or she is further satisfied that the specially denatured spirits have been delivered from that factory, in such quantities as he or she may determine, to a person, and for a purpose approved by him or her;

(b) if he or she is satisfied that they have been used by a denaturer at his or her factory for the manufacture of methylated spirits in accordance with the Management Act;

(c) if he or she is satisfied that they have been delivered direct from a distillery or distiller's warehouse and that they will be used in such quantities and under such conditions as he or she may determine in any industry or manufacture (other than the manufacture or preparation of beverages, perfumery or toilet preparations) in which the use of spirits is required and if he or she is further satisfied that the use in such industry or manufacture of denatured or methylated spirits is unsuitable or detrimental;

(d) if he or she is satisfied that they have been delivered from a distillery or distiller's warehouse, in such quantities and in accordance with such conditions as he or she may determine, to a recognized person for medical, scientific or educational purposes; or

(e) if he or she is satisfied that they have been delivered to a wine manufacturer for use in the fortification of wine manufactured at his or her factory in accordance with the Management Act.

(2) In this section, "recognised person" means-

(a) a person registered or licensed under the Medical and Dental Practitioners Act or the Veterinary Surgeons Act;

(b) a pharmacist registered under the Pharmacy and Drug Act; or

(c) such other person or class of persons as the Minister may by statutory instrument approve.

(3) Notwithstanding section 3, the Commissioner General shall remit, under such conditions as he or she may determine, such amount of excise duty as may be specified by the Minister by statutory instrument on spirits used in the manufacture of refined spirits as defined in the Enguli (Manufacture and Licensing) Act.

## SCHEDULE.

### Rates of excise duty.

The excise duty under section 3 (1) of the Act is the tax specified by the seventh column of the Third Schedule to the Finance Act, 2000, and the excise duty on imports under section 3 (3) is the tax specified in the fifth column of that Act.

INSERTED BY EXCISE TARIFF (AMENDMENT ) ACT 2002.

Date of commencement: 1<sup>st</sup> July 2001

### SCHEDULE 2

#### RATE OF DUTY ON AIRTIME OR TALKTIME FOR MOBILE CELLULAR PHONES.

The rate of duty is 7 - 10%.

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**History:** Cap. 174; Act 13/1965; Act 24/1965, ss. 2,4; Act 27/1965; Act 16/1966, ss.1,7; Act 23/1967, s.1; Act 21/1968, ss.60, 64; S.I. 84/1968; Act 32/1969, ss.2,6; Act 15/1970; Act 27/1970, ss.2,5; Decree 14/1972, ss. 5, 50, 53; Decree 33/1973; Decree 6/1975, s. 3; Decree 7/1977, s. 3; Decree 8/1978, s. 27; Act 1/1981, s. 6; Act 4/1983, s. 11; Act 4/1984, s. 8; Statute 1/1987, s. 7; Statute 4/1988, s. 11; Statute 3/1989, s. 7; Statute 3/1991, ss. 21-24; Statute 6/1991, s. 20; Statute 11/1991, s. 7; Statute 1/1992, s. 33; Statute 1/1993, s. 10; Statute 9/1994, s. 29; S.I. 26/1994,; Act 3/1996, s. 10; S.I. 71/1997; Act 2/1998, s. 15; S.I. 30/1998; S.I. 40/1998; S.I. 61/1998; S.I. 74/ 1998; Act 7/1999, s. 27; S.I. 39/1999; S.I. 45/1999; S.I. 29/2000; S.I. 38/2000; S.I. 59/2000; Act 1/2001, s. 30\*.

**\*Commissioners' note:** The reference with an asterisk is an indirect amendment to this Act.

#### Cross References

East African Excise Management Act, Laws of the Community, 1970 Revision, Cap. 28.

Enguli (Manufacture and Licensing) Act, Cap. 86.

Finance Act, 2000, Act 1/2001.

Medical and Dental Practitioners Act, Cap. 272.

Pharmacy and Drugs Act, 280.

Veterinary Surgeons Act, Cap. 277.

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