

THE EXCISE TARIFF (AMENDMENT) ACT, 2002

ARRANGEMENT OF SECTIONS

Section.

1. Short title and commencement.
2. Amendment of section 3A.
3. Repeal of section 6(2).
4. Addition of Schedule 2.

An Act to amend the Excise Tariff Act, Cap. 174.

DATE OF ASSENT: 24th December, 2001.

Date of commencement: 1st July, 2001.

BE IT ENACTED by Parliament as follows:

1. Short title and commencement

This Act may be cited as the Excise Tariff (Amendment) Act, 2002 and shall come into force on 1st July, 2001.

2. Insertion of new section

The Excise Tariff Act is amended by inserting immediately after section 3, the following new section—

3A (1) There shall be charged in respect of the provision of air time or talktime for mobile cellular phones, excise duty at the rate 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 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 in 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 a 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 collection, payment and enforcement of the duty.”

3. Report of section 6(2)

The Excise Tariff Act is amended by repealing subsection (2) of section 6.

4. Addition of Schedule 2

The Excise Tariff Act is amended by adding after Schedule 1, the following new Schedule—

SCHEDULE 2.

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

The rate of duty is 7%.”