



ASSESSMENT OF IMPACT OF THE 2017/18 TAX AMENDMENTS ON REVENUE GENERATION IN UGANDA

TERMS OF REFERENCE

About SEATINI

Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI) Uganda is a non-government organization founded in 2001 to promote pro development trade, fiscal and trade related policies for sustained equitable development and improved livelihoods in Uganda and EAC region. Taxation as a tool for development is becoming more relevant for developing countries today. It provides governments with a sustainable source of revenue to finance social services and development. This comes at a time when the development assistance to these countries is declining. For instance, between 2013 and 2015, gross Official Development Assistance (ODA) to Uganda reduced by 9% from USD 1,860.9 million to USD 1,693.4 million. As a result, There have been numerous calls and strategies at national and global levels aimed at promoting domestic revenue mobilisation in order to minimize dependence on ODA and loans and to realize sustainable financing for development.

SEATINI Uganda with financial support from the Democratic Governance Facility (DGF) is implementing an 18 months project entitled 'Strengthening Citizen engagement in Revenue Mobilization and Accountability Policies and Practices' starting October, 2018. This project aims to promote equitable, inclusive and accountable taxation policies and practices through information generation and dissemination; policy advocacy and campaigns; media campaigns and engagement, awareness raising; capacity building; alliance building and networking. One of the preliminary activities of the research is to conduct a research on the impact of the 2017/18 tax amendments on revenue generation in Uganda.

The research problem

Annually, the government of Uganda amends the tax laws with an objective of closing the loopholes within and improving the tax administration with a major goal of maximizing revenue collections. Furthermore, according the Public Finance Management Act 2015 section 13(11) (a), the minister responsible for Finance is mandated to present to Parliament the annual budget together with the Appropriation Bill and any other bills necessary to implement the budget for approval.

To this effect, during the reading of the annual budget speech for FY 2017/18, the Minister of Finance announced amendments to the tax laws. These included the Excise Duty (Amendment) Act 2017, Value Added Tax (Amendment) Act 2017, The Income Tax (Amendment) Act 2017 and the Tax Procedures codes Act, 2017. During FY 2017/18, the government of Uganda expected to raise revenue amounting to shs. 15,062 billion of which shs. 14,686 billion was to be collected by URA as tax revenue and shs376 billion as Non-Tax revenue. By the end of the financial year, a net revenue of UGX 14,456.11 billion was collected posting a momentous growth of UGX 1,736.48 billion (13.65%) compared to the FY 2016/17. However, the

collections registered a shortfall of UGX 606.32 billion below the FY 2017/18 target of UGX 15,062.43 billion. This was partly attributed to the deficits registered under withholding tax (UGX 105.92 billion), tax on bank interest (UGX 63.58 billion), presumptive tax (UGX 23.10 billion), rental tax (UGX 26.38 billion).

It is upon this background that SEATINI Uganda is commissioning a research to assess the performance of the revenue measures that were introduced during FY 2017/18.

Service required

SEATINI Uganda in partnership with Democratic Governance Facility (DGF) is looking for a suitable consultant to conduct a research to assess the impact of the revenue measures that were put in place by the government in FY 2017/18.

Purpose and objectives of the research

The research will focus on assessing the performance of the 2017/18 revenue generation measures and the revenue that has been collected as a result of enforcing these measures. The findings of the study will be used to generate alternative revenue mobilisation proposals for the subsequent years.

Specific objectives

- Review the tax amendments for FY 2017/18 and ascertain the objectives of the measures.
- Undertake a qualitative and quantitative analysis of the impact of the revenue measures on the citizens.
- Assess the performance of the revenue measures that were put in place by government during FY2017/18
- Provide recommendations to be adopted by the government to improve revenue collections

Target users and beneficiaries

The outcomes of the research will target various players including:

- 1) Ministry of Finance Planning and Economic Development,
- 2) Uganda Investment Authority
- 3) Auditor General
- 4) Uganda Revenue Authority
- 5) Civil Society Organisations
- 6) Government officials
- 7) Media
- 8) Community based organisations
- 9) Local Government Officials
- 10) Private Sector General Public (tax payers)

Research Methodology

The study will involve the collection of both primary and secondary data using appropriate data collection methods. The consultant is expected to make use of documents available at relevant government's offices (Policy documents, research studies), financial and statistical data on tax and general academic literature on taxation. The consultant will also make consultations and interviews with key stakeholders from the Ministry of Finance Planning and Economic Development; Uganda Revenue Authority and other key MDAs among others.

Deliverables

The key deliverables for this assignment will include:

- An inception report detailing the methodology to be adopted in conducting the study and a detailed work plan for the assignment.
- A draft reports to be presented to SEATINI and DGF for review.
- Present draft findings during a validation meeting
- The final research report incorporating comments and input from SEATINI. Please note that the final report should be a maximum of 40 pages (excluding annexes).

Qualifications of the consultant

The suitable consultant shall have the following qualifications:

- At least a master's degree in a relevant field in the area of planning, public policy, development economics, Law and tax.
- A thorough knowledge of the taxation system and context of Uganda
- Previous experience in developing similar research
- Excellent skills in written and spoken English

Time Frame

Activity	Responsibility	Timelines
Expression of Interest	Consultant	31st October 2018
Selection of Consultant	SEATINI /DGF	5 th November 2018
Signing of Contract	SEATINI /Consultant	7th November 2018
Submission of Inception Report	Consultant	9 th November 2018
Submission of first draft	Consultant	23 rd November 2018
Review of the first draft	SEATINI/DGF	5th December 2018
Validation Meeting	SEATINI/Consultant	10 th December 2018
Submission of Final report	Consultant	13 th December 2018



Strengthening Africa in World Trade

Submission of proposal

Interested candidates should submit their technical and financial proposals addressed to the Country Director: SEATINI Uganda, email: seatini@infocom.co.ug, cc: Regina Navuga nregina@seatiniuganda.org. P.O Box 3138, Kampala, Uganda, Plot 806.Block 213. Bukoto – Kisaasi Road by **Wednesday 31st October 2018**.

The technical proposal should include the proposed methodology, the qualifications of the consultant and referees for previous similar work done in the past. The financial proposal should highlight the expected fee for the work.

