



CSBAG BUDGET NEWS BRIEF



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Advocating for a People Centered Budget that Dignifies Humanity



Minister Kasaija to meet with Finance Committee this week over Mobile Money tax Bill

"We have invited the minister of finance on Tuesday, to take us through the new proposals in the Bill. We shall also meet other stake holders on Wednesday, Thursday and see how it goes"



Minister of Finance, Planning and Economic Development, Hon. Matia Kasaija in Parliament recently. He is set to meet with the Finance Committee of Parliament this week over the Excise Duty (Amendment) Bill 2018. | @CSBAG2018

The Parliamentary committee on Finance, planning and economic development will this week on Tuesday 31 July, 2018, meet with Matia Kasaija, the minister of finance to receive his submission about the recently re-tabled Excise Duty (Amendment) Bill 2018. The Bill which was re-tabled before Parliament on 19th, July, 2018 by minister Kasaija, seeks to lower taxes on withdrawal of mobile money to 0.5 percent, from the current 1% approved by parliament during the consideration of the FY 2018/19 National Budget. Presenting the Bill to parliament, Kasaija noted that the objective of the Bill is to amend the Excise Duty Act, 2014, to limit the taxable Mobile Money transactions to withdraw and to reduce the duty payable. To facilitate the amendment process, Henry Musasizi, the chairperson finance committee on Parliament, said the committee was set to start the consultations on Tuesday, with minister Kasaija as the first witness.

withdrawal of cash, 0.5% of the value of the transaction. Currently, telecommunication companies are charging 1% on withdrawals and deposits, which Museveni said will be refunded after the amendment. On Thursday July 19th, 2018, Members of the Civil Society Movement under their body Civil Society Budget Group (CSBAG) and Mobile Money agents petitioned the Leader of Opposition in Parliament, Winnie Kiiza, urging parliament to entirely reject the proposed 0.5% by government saying it mostly hurts the vulnerable poor people. Other stakeholders like students, also petitioned the office of the speaker, asking parliament to critically scrutinize the Bill which proposed a Sh200 social media tax.

Awash with petitions

During the re-introduction of the Bill, deputy speaker Jacob Oulanyah asked the finance committee to study all the petitions for consideration of the views by members of the public. "This matter has been in the public domain and the Office of the Speaker has been awash with petitions and letters on this issue; consider all of them and have more discussions and let the matter be properly debated," said Oulanyah.

The committee has 45 days, to report back to the House, regarding their findings and submissions from different stakeholders. Earlier in the month, mobile money agents under their body - Kampala Mobile Money Dealers association asked the government to halt the implementation of the tax which they said was passed in error, pending amendment of the Act. "We call upon the government to expedite the process of removing the 1% transactions value on mobile money. This tax has since affected our business as the number of customers has reduced drastically since most people have resorted to carrying and keeping their money physically in cash," Tom Katamba, a member of the association said.

Hurting business

"If our plea to remove the tax is not taken into consideration, we will have no other option but to abandon the mobile money business and this will have adverse effects on youth employment and on Uganda's financial sector deepening," Mathias Lukyamuzi, the chairman Mobile Money agents said.

OUR WORK IN PICTURES



CSBAG stakeholders and other CSO members attending a Public Finance Management Training of Trainers meeting at Eureka Hotel in Kampala last week. | @CSBAG2018



District officials and CSOs, including CSBAG attending a leadership training intended to make stakeholders improve their planning, coordination and accountability skills at Lake View hotel in Mbarara last week. | @CSBAG2018



Participants including CSBAG attending a production sector stakeholders' annual review meeting for FY 2017/2018 in Kibaale district held at Kibaale Resort last week. | @CSBAG2018