

## **TAX INCENTIVES FOR AGRICULTURE SECTOR**

### **1. Plant and machinery;**

- Import of plant and machinery; Import duty is NIL by tariff; VAT is deferred and WHT is 6% as long as the cost of plant and machinery is above US \$ 22,500. You are required to apply to the Commissioner Trade Customs for the facility in writing and must be register for VAT.
- Plant machinery of HS code 8432 like planters, harvesters, seeders, weeders, hoes, irrigators, cultivators, ploughs, fertilizers, etc used in agriculture.
- Dairy industry (refrigerated trucks, insulated tankers and heat insulated milk tanks)

### **2. Agro – Processors;**

Apply to the commissioner for a certificate of exemption:

- Applicant or associate of applicant has not previously carried on agro processing of a similar or related agricultural product in Uganda and
- Applicant must invest in plant and machinery not previously been used in Uganda by any person to process agricultural products for final consumption.
- Process agricultural products grown or produced in Uganda.
- Person regularly files return and fulfils all his tax obligations under the income tax act. met

Certificate of exemption issued is valid for one year and may be renewed annually.

### **3. Seeds for Sowing;**

- All seeds spores and cut plants, imported specially treated, inputs used in processing and preservation of seeds for sowing which the relevant authority in the Partner State responsible for Agriculture has approved as fit for sowing

### **4. Horticulture, Agriculture or Floriculture and Aquaculture Inputs**

- Imported inputs by persons engaged in horticulture, aquaculture, agriculture or floriculture which the Commissioner is satisfied are for use in the horticulture, aquaculture, agriculture or floriculture sector.

- Poultry parent stock imported by persons engaged in poultry farming as authorized by the Director of Veterinary Services and subject to such conditions and limitations the Commissioner may impose.
- All equipments and gear used in bee keeping as authorized by the Director of Veterinary Services and subject to such conditions and limitations that the Commissioner may impose'

#### **5. Inputs for use in the manufacture of agricultural equipment;**

- Inputs imported by a manufacturer for use in the manufacture of agricultural equipment''

#### **6. Commercial vehicles of 20 tonnage and above; import duty is nil.**

#### **7. Preferential Treatment of imported goods from COMESA Region Preferential Treatment of goods from the EAC**

- Import Duty rates of 0%, 4% and 6% for capital goods and raw materials; semi finished goods and finished goods respectively. Import duty of 0%

#### **8. VAT zero rate supply**

- Supply of Cereals grown and milled in Uganda is zero rated
- The supply of seeds, fertilizers, pesticides, and hoes; ("pesticides" means insecticides, rodenticides

#### **9. VAT exemptions supplies**

- The supply of machinery, tools and implements suitable for use only in agriculture **and for purposes of this "machinery, tools and implements" means ;**  
knapsack sprayers;(ii)ox ploughs ; (iii) drinkers and feeders for chicken; (iv) agricultural tractors(including walking tractors); (v) disk harrows; (vi) cultivators; (vii) ploughs; (viii) weeders; (ix) seeders; (x) planters; (xi) sub-soilers; (xii) seed drills; (xiii) threshers; (xiv) bale wrappers; (xv) milking machinery; (xvi) milk coolers; (xvii) maize mills; (xviii) wheat flour mills; (xix) homogenizers; (xx) dairy machinery; (xxi) grain cleaners and sorters; (xxii) feed grinders hatcheries; and (xxiii) implements used for artificial insemination in animals"
- The supply of unimproved land

- The supply of unprocessed foodstuffs, unprocessed agricultural products except wheat grain and livestock