

Tax research for development

The Uganda Revenue Authority presumptive tax data

Maria Jouste,¹ Gerald Agaba,² and Sebastian Ssebuyira²

November 2024

Abstract: This technical note describes the Uganda Revenue Authority (URA) presumptive tax returns data covering financial years from 2015/16 to 2022/23. The data contains 21 variables, including information on taxpayers' characteristics, turnover, and payable taxes. It covers the population of small businesses eligible for a presumptive tax regime that file their incomes using the URA Income Tax for Small Businesses form. This data can be merged with other available administrative tax data, such as the URA firm panel, and thus provides a broader picture of businesses' performance and their behaviour in Uganda. This note describes the key elements and the construction of the data and presents the variable description. Finally, the note provides descriptive statistics of the data.

Key words: presumptive tax, administrative tax data, Uganda

JEL classification: H25, O55

Acknowledgments: We thank Dorothy Nakyambadde, Norbert Afya, Nicholas Musoke, Tina Kaidu, and Amina Ebrahim for their valuable support in the construction of the data and commenting the technical note. This work is part of a larger research and capacity-building initiative between the Uganda Revenue Authority (URA) and UNU-WIDER.

This study has received ethical approval by the Joint Ethical Review Board of the United Nations University (Ref No: 202104/01) on 11 May 2021.

Recommended citation for the dataset

Uganda Revenue Authority (2024). *The Uganda Revenue Authority Presumptive Tax Data* (Version 1). Kampala: Uganda Revenue Authority.

¹ UNU-WIDER, Helsinki, Finland, corresponding author: jouste@wider.unu.edu; ² Uganda Revenue Authority, Kampala, Uganda

This study has been prepared within the UNU-WIDER project [Tax research for development \(phase 3\)](#), which is part of the research area [Creating the fiscal space for development](#). The project is part of the [Domestic Revenue Mobilization](#) programme, which is financed through specific contributions by the Norwegian Agency for Development Cooperation (Norad).

Copyright © UNU-WIDER 2024

UNU-WIDER employs a fair use policy for reasonable reproduction of UNU-WIDER copyrighted content—such as the reproduction of a table or a figure, and/or text not exceeding 400 words—with due acknowledgement of the original source, without requiring explicit permission from the copyright holder.

Information and requests: publications@wider.unu.edu

<https://doi.org/10.35188/UNU-WIDER/WTN/2024-1>

**United Nations University World Institute for Development
Economics Research – UNU-WIDER**

Katajanokanlaituri 6 B, 00160 Helsinki, Finland



United Nations University World Institute for Development Economics Research provides economic analysis and policy advice with the aim of promoting sustainable and equitable development. The Institute began operations in 1985 in Helsinki, Finland, as the first research and training centre of the United Nations University. Today it is a unique blend of think tank, research institute, and UN agency—providing a range of services from policy advice to governments as well as freely available original research.

The Institute is funded through income from an endowment fund with additional contributions to its work programme from Finland and Sweden, as well as earmarked contributions for specific projects from a variety of donors.

The views expressed in this paper are those of the author(s), and do not necessarily reflect the views of the Institute or the United Nations University, nor the programme/project donors.

1 Introduction

The Uganda Revenue Authority presumptive tax returns is a panel dataset covering all small business income tax returns over the financial years 2015/16–2022/23. All small businesses file their incomes using the online presumptive tax form on the URA’s e-tax webpage. The online form was introduced on 1 July 2015.

The small business income tax applies to businesses, which can be individuals, sole proprietors, and companies, with turnover less or equal to UGX150 million. The presumptive tax regime excludes professionals.¹ The tax is calculated from the estimated sales because small businesses often do not keep comprehensive sales records. The presumptive tax rates have varied over the years covered in this dataset. Before July 2020, the tax rate was based on businesses’ turnover, location, and business type; on average, it was 1.5 per cent of sales. After July 2020, the tax rate is based on the sales turnover and whether a business is keeping records. Also, the new tax rates are lower than in earlier years, less than 1% of sales. The detailed tax schedule and its amendments can be found in Uganda’s Income Tax Act. The current tax rates are presented in Table 1, and tax rates for 2015/16–2019/20 are in Table A1 and A2 in the Appendix.

Small businesses are required to file a return at least once a year, but it is possible to amend the return if the estimated sales change. The presumptive tax is a final tax, and there are no deductions or tax credits allowed, except the withholding tax credit and provisional tax paid.

Table 1: Tax rates for small business taxpayers, 2020/21 onwards

Turnover in millions	Tax rate without records	Tax rate with records
0–10	0	0%
10–30	80,000	0.4% of annual turnover in excess of 10 million
30–50	200,000	80,000 + 0.5% of annual turnover in excess of 30 million
50–80	400,000	180,000 + 0.6% of annual turnover in excess of 50 million
80–150	900,000	360,000 + 0.7% of annual turnover in excess of 80 million

Note: the upper value of a tax bracket is included in the given bracket. The taxpayer pays according to the next tax bracket when the upper value is exceeded. All monetary values are in UGX.

Source: author’s interpretation of the Income Tax Act Amendment of 1 July 2020.

The presumptive tax returns can be used, for example, to study small businesses’ performance and behaviour, and the effects of tax and administrative policies in Uganda. Earlier studies using either presumptive or other administrative tax datasets in Uganda investigate, for instance, tax administrative reforms (Jouste et al. 2021), profit shifting of multinational companies (Koivisto et al. 2021), misreporting of value-added taxes (Almunia et al. 2024), tax compliance in local and national level (Vincent et al. 2023), the potential of global minimum corporate income tax (Lakuma and Kahunde 2023), and mobile technologies and firm formalization (Dodlova et al. 2023).

¹ Professionals are such as dental, medical, engineers, accountants, and architectural practice.

2 Key elements of the data

The URA presumptive tax return data was extracted from the URA’s eHub system and downloaded in CSV format. The data was anonymized and imported into Stata.

The data includes the financial years 2015/16–2022/23. In this dataset, the financial year is a system-generated variable. If users want to use another definition of the (financial) year, it can be created from the variables *r_returnfromdate* and *r_returntodate*.

The raw data included many duplicates because it contained all filed returns by a taxpayer per year. This means that data contained ‘old’ observations that the taxpayer revised later. In these cases, we only kept the ‘latest’ return (i.e. the most recent one submitted to the URA for the return period) and dropped the prior ones. We use variable *r_returndate* to detect the return that has the ‘latest’ date. Due to this process, 32,437 observations were deleted. We also dropped 275 observations, which had unclear return periods. In total, we then deleted 32,712 observations out of 388,184. The number of observations and unique taxpayers per year are shown in Table 2. In addition to Table 2, the data includes two observations set to the financial year 2014/15, because their return period follows the calendar year 2015. In total, 355,472 observations from 194,580 unique taxpayers are observed over the period in the final data.

Table 2: Numbers of observations and unique taxpayers in a financial year

Financial year	# observations	# unique taxpayers
2015/16	8,820	8,741
2016/17	32,404	31,252
2017/18	48,259	45,513
2018/19	50,669	47,804
2019/20	39,340	37,412
2020/21	43,624	41,319
2021/22	53,178	53,175
2022/23	79,176	79,176

Source: authors’ construction based on the URA presumptive tax data.

However, the data still contains duplicated observations by taxpayer and return period. The reason for this is that a taxpayer could have, for example, multiple stores or branches in different or same locations or business sectors and all of these can be reported using the same return. The presumptive tax form does not include a box that could indicate this. In the data, duplicated returns have the same return number, but one is flagged as ‘original’ while others from the same return date are flagged as ‘amendment’. In the data, we cannot reliably detect which ones are ‘real’ branches and which are ‘real’ amendments. Therefore, we decided to keep all observations of the ‘latest’ return even if this leaves duplicates in the data. This way, a user can opt to keep or drop these duplicates. The surplus of duplicates is 11,078 observations.

3 Variable description

There are 21 variables in the URA presumptive tax return data that are described in Table 3. Variables are from the URA’s Income Tax for Small Businesses form, and the data includes all non-sensitive obligatory fields from the tax form. The data includes business’ characteristics and reported income. Tax payable is a system-generated variable from the estimated sales following the tax code. All monetary variables are in Ugandan shillings. A variable *secC_taxpayable* is a system-

generated tax liability for one return. For example, if the return includes two or more observations (see Section 2 for more information about returns), *secC_taxpayble* is a sum of tax liabilities of all observations. Thus, it is the same for all observations of one return.² If a user wants to know only tax payable for one observation, it can be calculated using the tax schedule described in the Ugandan Income Tax Act and in Tables 1, A1, and A2 in this note.

Table 3: Variable description

Variable name	Description
tin	Masked taxpayer TIN
r_declariontype	Declaration type
r_fy	Financial year
r_returnnumber	Return number
r_returndate	Return date
r_returnfromdate	Return from date
r_returntodate	Return to date
r_reg_status	Registration status
r_accountingdate	Accounting date
r_taxpayertype	Taxpayer type
r_businessdistrict	Business District
r_businesscounty	Business County
r_currentstationname	Current station name
r_mainactivitydescription	Main activity description
r_currentsectormainactivity	Current sector main activity
r_otherbusinessactivity	Other business activity
secC_taxpayable	Tax payable
secC_estimatedsales	Estimated business sales
secC_areaofoperation	Area of Operation
secC_buisnessactivity	Business Activity
secC_iswithrecord	Is keeping record?

Source: authors' listing from the URA presumptive tax data.

4 Data characteristics

This section presents the main data characteristics. Table 4 shows the number of years a taxpayer is present in the data. Table 4 shows that most taxpayers (125,127) file a return only once during 2015–2023, and a balanced panel of taxpayers covering all years of data includes only 429 taxpayers.

² For example, if one return includes two observations, i.e. branches, their estimated sales could be different. For example, observation 1 has estimated sales of 10,000,000 and observation 2 has estimated sales of 20,000,000. For both observations, the tax payable amount is 500,000 in variable *secC_taxpayable* which represents a sum of tax payable of both observations when following the tax schedule of Table A2 for general trade businesses in Kampala.

Table 4: Number of returns files, per taxpayers

# of years present	# taxpayers
1	125,127
2	32,771
3	14,899
4	9,205
5	6,211
6	3,845
7	2,093
8	429

Note: table shows how many years taxpayers filed a return. The years are not necessarily subsequent years. We drop the duplicates and keep only one taxpayer-year observation in the data.

Source: authors' construction based on the URA presumptive tax data.

For Tables 5–7, we keep only one observation from the taxpayer. These tables thus present the number of unique taxpayers. Table 5 shows the sectoral breakdown of businesses based on the ISIC Rev 4 broad structures.³ The wholesale and retail trade are the most populated sectors, followed by other service activities and agriculture, forestry, and fishing. The data contains 147,016 unique taxpayers with the sectoral information, which means that 47,564 taxpayers do not have this information.

Table 5: Sectoral breakdown

Sector description	# unique taxpayers	% of taxpayers
A-Agriculture, forestry and fishing	16,348	8.40
B-Mining and quarrying	101	0.05
C-Manufacturing	2,201	1.13
D-Electricity, gas, steam and air conditioning supply	214	0.11
E-Water supply; sewerage, waste management and remediation activities	100	0.05
F-Construction	3,933	2.02
G-Wholesale and retail trade; repair of motor vehicles and motorcycles	65,251	33.53
H-Transportation and storage	8,051	4.14
I-Accommodation and food service activities	5,524	2.84
J-Information and communication	1,234	0.63
K-Financial and insurance activities	10,551	5.42
L-Real estate activities	7,569	3.89
M-Professional, scientific and technical activities	1,885	0.97
N-Administrative and support service activities	1,460	0.75
O-Public administration and defence; compulsory social security	35	0.02
P-Education	1,421	0.73
Q-Human health and social work activities	2,684	1.38
R-Arts, entertainment and recreation	918	0.47
S-Other service activities	17,246	8.86
T-Activities of households as employers	254	0.13
U-Activities of extraterritorial organisations and bodies	36	0.02
Missing	47,564	24.44
Total	194,580	100.00

Source: authors' construction based on the URA presumptive tax data.

³ The detailed description of sectors are presented in the document: https://unstats.un.org/unsd/publication/seriesm/seriesm_4rev4e.pdf (accessed 17 October 2024).

Table 6 shows that the majority of small businesses are located in Kampala, approximately one third of taxpayers, based on the variable *r_businessdistrict*. The following highest number of taxpayers, over 10%, is located in Wakiso, the district around Kampala. Other districts have zero to 3% of taxpayers. In addition, the data includes other location variables, such as *r_currentstationname* and *r_businesscounty*.

Table 6: Location as district

District	# unique taxpayers	% of taxpayers
Abim	115	0.06
Adjumani	533	0.27
Agago	144	0.07
Alebtong	158	0.08
Amolatar	1,398	0.72
Amudat	134	0.07
Amuria	284	0.15
Amuru	361	0.19
Apac	425	0.22
Arua	3,585	1.84
Budaka	407	0.21
Bududa	195	0.10
Bugiri	495	0.25
Buhweju	39	0.02
Buikwe	2,208	1.13
Bukedea	347	0.18
Bukomansimbi	234	0.12
Bukwo	89	0.05
Bulambuli	280	0.14
Buliisa	52	0.03
Bundibugyo	898	0.46
Bunyangabu	370	0.19
Bushenyi	1,922	0.99
Busia	1,884	0.97
Butaleja	200	0.10
Butambala	41	0.02
Butebo	94	0.05
Buvuma	549	0.28
Buyende	765	0.39
Dokolo	220	0.11
Gomba	147	0.08
Gulu	2,918	1.50
Hoima	3,181	1.63
Ibanda	1,979	1.02
Iganga	2,019	1.04
Isingiro	732	0.38
Jinja	6,108	3.14
Kaabong	188	0.10
Kabale	2,471	1.27
Kabarole	3,977	2.04
Kaberamaido	295	0.15
Kagadi	728	0.37
Kakumiro	281	0.14
Kalangala	1,056	0.54

Kaliro	220	0.11
Kalungu	444	0.23
Kampala	55,323	28.43
Kamuli	1,860	0.96
Kamwenge	688	0.35
Kanungu	887	0.46
Kapchorwa	509	0.26
Kasese	5,032	2.59
Katakwi	221	0.11
Kayunga	394	0.20
Kibaale	172	0.09
Kiboga	509	0.26
Kibuku	258	0.13
Kiruhura	625	0.32
Kiryandongo	784	0.40
Kisoro	914	0.47
Kitgum	1,003	0.52
Koboko	1,275	0.66
Kole	146	0.08
Kotido	205	0.11
Kumi	650	0.33
Kween	122	0.06
Kyankwanzi	136	0.07
Kyegegwa	564	0.29
Kyenjojo	1,036	0.53
Kyotera	1,141	0.59
Lamwo	210	0.11
Lira	2,912	1.50
Luuka	108	0.06
Luweero	912	0.47
Lwengo	489	0.25
Lyantonde	311	0.16
Manafwa	371	0.19
Maracha	128	0.07
Masaka	4,402	2.26
Masindi	2,214	1.14
Mayuge	691	0.36
Mbale	5,419	2.78
Mbarara	5,760	2.96
Mitooma	205	0.11
Mityana	3,494	1.80
Moroto	616	0.32
Moyo	555	0.29
Mpigi	313	0.16
Mubende	1,644	0.84
Mukono	5,907	3.04
Nakapiripirit	212	0.11
Nakaseke	242	0.12
Nakasongola	137	0.07
Namayingo	546	0.28
Namisindwa	231	0.12
Namutumba	132	0.07

Napak	182	0.09
Nebbi	673	0.35
Ngora	293	0.15
Ntoroko	566	0.29
Ntungamo	1,769	0.91
Nwoya	251	0.13
Omoró	216	0.11
Otuke	61	0.03
Oyam	323	0.17
Pader	199	0.10
Pakwach	492	0.25
Pallisa	644	0.33
Rakai	938	0.48
Rubanda	108	0.06
Rubirizi	176	0.09
Rukiga	124	0.06
Rukungiri	2,155	1.11
Serere	482	0.25
Sheema	470	0.24
Sironko	548	0.28
Soroti	2,208	1.13
Ssembabule	569	0.29
Tororo	2,084	1.07
Wakiso	20,300	10.43
Yumbe	523	0.27
Zombo	390	0.20
Missing	51	0.03
Total	194,580	100

Source: authors' construction based on the URA presumptive tax data.

The presumptive tax data includes small businesses that can be individual or non-individual businesses such as companies or sole proprietors. The variable *r_taxpayer_type* indicates the taxpayer type. Table 7 shows that almost 89% of taxpayers are individuals and the rest are non-individuals.

Table 7: Taxpayer type

Taxpayer type	# unique taxpayers	% of taxpayers
Individual	172,409	88.61
Non-individual	22,171	11.39
Total	194,580	100.00

Source: authors' construction based on the URA presumptive tax data.

We calculate the cumulative presumptive tax collections using the URA presumptive tax return data. Table 8 shows that the cumulative collection calculated from the data is larger than the revenue collection in the URA official statistics (see, e.g., the URA revenue performance reports on <https://ura.go.ug>). On average, the cumulative collection from presumptive tax returns is 45% higher than reported in the official revenue statistics. There could be multiple reasons why returns do not match with the official collection. The URA revenue performance statistics discuss reasons such as:

- Taxpayers do not make a payment even though they file a return. Taxpayers may also end up paying a value much lower than what they have indicated in the return because the two processes are independent of each other, most especially for periods prior to July 2021.
- In 2022/23, the official statistics of presumptive collections show a larger value than what returns indicate. This could be the case if taxpayers pay more than they filed or they make payments for earlier years, which are then reported in the payment year statistics instead of the return year. As explained in the above bullet point, the return and payment processes are not yet fully linked.
- Low tax enforcement due to a lack of URA staff resources.
- The COVID-19 pandemic could have affected payment collections, and closed businesses could not pay taxes or could pay only part of the amount in return. Also, there was the deferment of payments of presumptive tax from 1 April to 30 June 2020.
- Making payments late can be another reason, particularly for more recent financial years.

Table 8: Cumulative collections from presumptive returns versus URA collections data

Financial year	Cumulative presumptive returns (UGX, bn.)	URA presumptive collections	Presumptive returns / URA collections
2015/16	1.88	1.41	133%
2016/17	7.26	4.46	163%
2017/18	10.46	5.32	197%
2018/19	11.31	7.21	157%
2019/20	9.15	5.22	175%
2020/21	8.63	6.58	131%
2021/22	8.50	7.46	114%
2022/23	12.92	14.38	89%
		AVERAGE:	145%

Source: authors' computations from the URA presumptive tax data and URA official statistics (see for example URA revenue performance reports or UGAMOD country reports on <https://www.wider.unu.edu/about/ugamod-simulating-tax-and-benefit-policies-development-uganda>).

5 Future plan of updating the data and possible research topics using the data

The data are planned to be extracted and updated again from August 2025 to include both financial years 2023/24 and 2024/25. After that, the data will be extracted and updated annually.

The exact schedule to extract and update the presumptive tax data is planned as follows:

Step 1: Extract	In August annually
Step 2: Clean	In September annually
Step 3: Document	In October annually

In terms of potential research topics, the presumptive tax data can be used to answer, for example, the following research questions:

1. What are the behavioural and reporting responses to the tax rate change in 2020?
2. What has been the performance of small businesses during the COVID-19 pandemic?

In addition, the datasets can be used, for instance, to answer research questions related to firm growth if the data is merged with the URA firm panel described in McNabb et al. (2022). The list of research questions is not exhaustive.

References

- Almunia, M., J. Hjort, J. Knebelmann, and L. Tian (2024). ‘Strategic or Confused Firms? Evidence from “Missing” Transactions in Uganda’. *The Review of Economics and Statistics*. 106 (1): 256–265. https://doi.org/10.1162/rest_a_01180
- Dodlova, M., K. Kis-Katos, A. Kochanova, and O. Wirth (2023). ‘Mobile Technologies and Firm Formalization: Evidence from Uganda’. WIDER Working Paper 2023/99. Helsinki: UNU-WIDER. <https://doi.org/10.35188/UNU-WIDER/2023/407-6>
- Jouste, M., M.I. Nalukwago, and R. Waiswa (2021). ‘Do Tax Administrative Interventions Targeted at Small Businesses Improve Tax Compliance and Revenue Collection? Evidence from Ugandan Administrative Tax Data’. WIDER Working Paper 2021/17. Helsinki: UNU-WIDER. <https://doi.org/10.35188/UNU-WIDER/2021/951-8>
- Koivisto, A., N. Musoke, D. Nakyambadde, and C. Schimanski (2021). ‘The Case of Taxing Multinational Corporations in Uganda: Do Multinational Corporations Face Lower Effective Tax Rates and Is there Evidence for Profit Shifting?’ WIDER Working Paper 2021/51. Helsinki: UNU-WIDER. <https://doi.org/10.35188/UNU-WIDER/2021/989-1>
- Lakuma, C.P., and R. Kahunde (2023). ‘Global Minimum Corporate Income Tax: Challenges and Prospects for Uganda.’ WIDER Working Paper 2023/137. Helsinki: UNU-WIDER. <https://doi.org/10.35188/UNU-WIDER/2023/445-8>.
- McNabb, K., D. Nakyambadde, M. Jouste, and S. Kavuma (2022). ‘The Uganda Revenue Authority Firm Panel’. WIDER Technical Note 2022/2 Helsinki: UNU-WIDER. <https://doi.org/10.35188/UNU-WIDER/WTN/2022-2>
- Vincent, R. C., S. Dietrich, and K. McNabb (2023). ‘Compliance Rates with Local and National Business Taxes: Evidence from Kampala, Uganda.’ WIDER Working Paper 2023/134. Helsinki: UNU-WIDER. <https://doi.org/10.35188/UNU-WIDER/2023/442-7>

Appendix

Table A1: Tax rates for small business taxpayers, 2015/16 to 2019/20

Turnover in UGX millions	Tax rate in UGX or %
0–10	0%
10–50	See Table A2
50–75	937,500 or 1.5%
75–100	1,312,500 or 1.5%
100–125	1,687,500 or 1.5%
125–150	2,062,500 or 1.5%

Note: the upper value of a tax bracket is included in the given bracket. The taxpayer pays according to the next tax bracket when the upper value is exceeded.

Source: authors' interpretation of the Income Tax Act (of 1 July 1997, including Income Tax (Amendment) Acts 2015, 2016, all of 1 July).

Table A2: Tax rates as lump sum amounts for small business taxpayers for different turnover brackets, locations, and business sectors, 2015/16 to 2019/20

Location	Business sector	Turnover 10–20 million	Turnover 20–35 million	Turnover 35–50 million
Kampala city and divisions of Kampala	General trade	250,000	400,000	500,000
	Carpentry/metal workshops	250,000	400,000	500,000
	Garages	300,000	450,000	550,000
	Hair and beauty salons	300,000	400,000	550,000
	Restaurants or bars	300,000	450,000	550,000
	Drug shops (=pharmacies)	250,000	350,000	500,000
	Others	200,000	300,000	450,000
Municipalities	General trade	150,000	300,000	400,000
	Carpentry/metal workshops	150,000	300,000	400,000
	Garages	200,000	350,000	450,000
	Hair and beauty salons	200,000	350,000	450,000
	Restaurants or bars	200,000	350,000	450,000
	Drug shops	150,000	300,000	400,000
	Others	150,000	350,000	400,000
Towns and trading centres	General trade	100,000	200,000	300,000
	Carpentry/metal workshops	100,000	200,000	300,000
	Garages	100,000	250,000	350,000
	Hair and beauty salons	100,000	250,000	350,000
	Restaurants or bars	100,000	250,000	350,000
	Drug shops	100,000	200,000	300,000
	Others	100,000	250,000	300,000

Note: the upper value of a tax brackets is included in that tax bracket; when it is exceeded, the taxpayer is switched to the next tax bracket. All monetary values are in UGX.

Source: authors' interpretation of the Income Tax (Amendment) Acts (2015, 2016, both of 1 July).