TAX APPEALS TRIBUNAL

THE REPUBLIC OF UGANDA

IN THE TAX APPEALS TRIBUNAL AT KAMPALA

MISCELLANEOUS APPLICATION NO. 014 OF 2026

(ARISING OUT OF TAT APPLICATION NO. 140 OF 2025)

STRATEGIC INITIATIVE FOR WOMEN IN THE HORN OF AFRICA (SIHA)..APPLICANT

VERSUS

UGANDA REVENUE AUTHORITY ....RESPONDENT

BEFORE:HON. REBECCA NASSIMBWA NSUMBA, HON. EDWARD BIRYETEGA, HON. CHRISTINE KATWE

RULING

I. Introduction

1. This is an application brought under section 14(1) of the Tax Appeals Tribunal Act, Rule 30 of the Tax Appeals Tribunal (Procedure) Rules, Section 98 of the Civil Procedure Act, and Order 52, Rules 1, 2, and 3 of the Civil Procedure Rules, seeking orders that:
   (i) Leave be granted to the Applicant to pay the balance of 30% of the tax assessed in instalments.
   (ii) Costs of the Application be provided for.

II. Background Facts

2. The Applicant is a not-for-profit organisation operating in several countries in the Horn of Africa, including Uganda, Kenya, Somalia, South Sudan,

Sudan, Ethiopia, Djibouti and Eritrea. The grounds of this application are laid out in the affidavit in support of the application deponed by Ms. Saudah Kayaga, the Regional Senior Finance Officer of the Applicant, sworn and deponed on 9 February 2026, stating as follows:

(i) On 6 and 10 March 2025, the Respondent issued Additional Pay As You Earn (PAYE) Assessments imposing an additional tax liability of Shs.706,876,793.

(ii) On 15 May 2025, the Applicant filed TAT Application No. 140 of 2025, challenging the Respondent's additional PAYE assessments on grounds that its consultants and suppliers were wrongly reclassified as employees.

(iii) Owing to the war in Sudan and the funding cuts suffered by not-for-profit organisations, the Applicant became cash strapped and could not pay Shs. 212,063,038, being 30% of the assessed tax, as a lump sum.

(iv) On 15 December 2025, the Applicant applied to the Respondent for permission to pay then 30% deposit in five equal instalments, on grounds that it could not pay the entire said amount at once.

(v) That to demonstrate willingness to pay 30% of the tax assessed as proposed by the Applicant, the Applicant made two instalment payments totalling Shs. 92,777,579.

(vi) That the Applicant engaged the Respondent on numerous occasions regarding the status of its instalment payment plan application but, for a period of over two months, received no response.

(vii) On 6 February 2026, the Respondent wrote to the Applicant's lawyers rejecting the Applicant's said request on grounds that section 15 of the Tax Appeals Tribunal Act requires that 30% of the tax in dispute be paid as a lump sum.

3. The Respondent, by way of affidavit deponed by Mr Agaba Edmund, a Legal Officer in the Legal Services and Board Affairs Department of the Respondent, sworn and deponed on 18 February 2026, stated:

(i) That Section 15 of the Tax Appeals Tribunal Act requires that 30% of the tax in dispute be paid as a lump sum prior to the lodging of an Application for review at the Tax Appeals Tribunal.

(ii) That the law does not provide for instalment payment of 30% of the tax in dispute and the Uganda Revenue Authority is not vested with any discretion to vary this statutory requirement.

(iii) That the Tax Appeals Tribunal is not clothed with Jurisdiction to grant orders of payment of taxes in instalments.

III. Issue for determination

4. Whether the Applicant should be granted permission to pay the 30% tax assessed in instalments?

IV. Representation and evidence

5. Mr. Deus Mugabe and Ms. Fatuma Ramathan Nabulya of H & G Advocates represented the Applicant while Mr. Sam Kwerit and Mr. Kenan Aruho of the Legal Services and Board Affairs Department of the Respondent represented the Respondent.

V. Submissions of the Applicant

6. The Applicant submitted that **Section 14(1)** of the Tax Appeals Tribunals Act (TAT Act) provides that a person aggrieved by a decision made under a taxing Act by the Uganda Revenue Authority may apply to the Tribunal for a review of the decision. ***Section 1*** of the TAT Act defines a taxation decision to mean, "***any assessment, determination, decision or notice".***

7. The Applicant further relied on ***Section 14(2) of the TAT Act*** which provides thus:

   "*The Tribunal has power to review any taxation decision in respect of which an application is properly made.*"

8. The Applicant submitted that in ***the case of MTN Uganda Limited v URA: TAT Application No. 15 of 2018,*** it was held that the Tribunal has jurisdiction to review the exercise of discretion by the Commissioner General and that a taxpayer aggrieved with the exercise of discretion by the Commissioner General is entitled to have the Commissioner General's decision reviewed by the Tribunal.

9. The Applicant submitted that ***Section 20(1)*** of the TAT Act provides that:

> "*For the purpose of reviewing a taxation decision, a tribunal may exercise all the powers and discretions that are conferred by the relevant taxing Act on the decision maker and shall make a decision in writing -*
>
> *(a) Affirming the decision under review;*
>
> *(b) Varying the decision under review; or.....*
>
> *(c) "*

10. The Applicant submitted that they applied to the Respondent on 15 December 2025, seeking permission to pay 30% of the assessed tax in instalments. By letter dated 6 February 2026 the Respondent rejected the Applicant's request, stating that:

> "*Section 15 of the TAT Act requires that the 30% of the tax in dispute be paid as a lumpsum prior to the lodging of an Application for review at the Tax Appeals Tribunal. The law does not provide for payment of the same in instalments, and the Uganda Revenue Authority is not vested with any discretion to vary this statutory requirement".*

11. The Applicant submitted that they disagree with the Respondent's foregoing position on the basis of the following three grounds:

    (i) The Respondent's stated position of the law disregards the long-standing practice and established decisions of the Tribunal. As will be demonstrated below, the Tribunal has, on numerous and befitting occasions, permitted applicants to pay 30% of the tax in dispute (a) in instalments, and (b) after lodging the application.

    (ii) The Tribunal's established jurisprudence clearly reflects this practice. In ***Century Bottling Company Limited v URA, Miscellaneous Application No. 32 of 2020,*** the Tribunal set aside the Respondent's earlier decision and permitted the Applicant to pay 30% of the tax in instalments. Similarly, in **Zhonghao Overseas Construction Eng. Co. Ltd v URA; Miscellaneous Application No. 94 of 2024**, the Applicant was allowed to pay the remaining 30% of tax in 3 monthly instalments.

(iii) Secondly, the Respondent's assertion that a taxpayer must pay 30% of the tax in dispute in a lump sum prior to lodging an application is, with due respect, founded on an erroneous interpretation of the law. There is no statutory provision requiring payment of the said 30% as a lump sum prior to lodging an application for review. Had Parliament intended to impose such a cumbersome condition, it would have expressly provided so. Instead, Parliament passed a law that clearly requires that 30% of the assessed or disputed tax be paid pending the final determination of the application.

(iv) ***Section 31(3)(b) of the Tax Procedures Code Act*** expressly empowers the Commissioner General to permit a taxpayer to pay tax in instalments. Therefore, the Respondent's assertion that it lacks discretion to allow payment of the said tax in instalments is legally untenable.

12. The Applicant submitted that it was irrational for the Respondent to: (a) delay in responding to their request to pay the 30% tax in instalments; (b) ignore their financial circumstances; (c) ignore the fact that they had made two substantial payments towards the 30% of the assessed tax and (d) rely on a non-existent legal regime in administration of its mandate.

13. The Applicant further submitted that the Tribunal has on previous occasions allowed taxpayers to pay 30% of the assessed tax in instalments, where their operations and cash flow have been adversely affected by events beyond their control.

14. The Applicant submitted that their operations and cash flow have been affected by the war in Sudan, which has resulted in the redirection of funding previously provided to the Applicant.

VI. Submissions of the Respondent

15. The Respondent submitted that the Tribunal does not have jurisdiction to grant the orders sought by the Applicant of paying 30% of the tax in instalments. The requirement to pay 30% of the principal tax assessed is enshrined under section 15 of the Tax Appeals Tribunal Act, which states:

"(1) A taxpayer who has lodged a notice of objection to an assessment shall, pending final resolution of the objection, pay 30 percent of the tax assessed or that part of the tax assessed not in dispute, whichever is greater".

16. The section envisages the following:
    (i) That the taxpayer lodged an objection and that 30% of the tax assessed or that part of the tax assessed not in dispute, whichever is greater, is paid pending final resolution of the objection.
    (ii) That the term objection is not defined in the TAT Act; however, it is provided for under ***Section 24 of the Tax Procedures Code Act*** to mean objections against tax decisions of the Commissioner. The Commissioner is then enjoined to render an **objection decision**, which is a final determination of the objection under **Section 24 of the Tax Procedures Code Act**. It is then the objection decision, and not the objection, that is the subject of the review by the Tribunal, as per Section 14 of the Tax Appeal Tribunal Act. Had the Legislature intended that an objection is reviewed by TAT, it would have expressly stated so.

17. The Respondent submitted that the section envisages that a deposit of the portion of tax (30%) should be paid before an objection decision is rendered by the Respondent and this inevitably means that the Applicant should have paid 30% of the tax assessed before filing an application in TAT.

18. The Respondent relied on the case of ***Uganda Projects Implementation Management Centre (UPIMAC) v URA; Constitutional Appeal No. 02 of 2009,*** in which the constitutionality of payment of 30% of assessed tax was discussed. The impugned section in the petition was ***Section 34(c) (3) of the Value Added Tax Act,*** as amended by the Finance Act of 2001. The section required a person to pay to the Commissioner General 30% of the tax in dispute or that part of the tax assessed not in dispute, whichever is greater, before lodging an application with the Tax Appeals Tribunal. The court held that filing an application before TAT without payment of 30% was premature.

19. The Respondent submitted that the **Tax Appeals Tribunal Act**, which provides for the establishment of the Tax Appeals Tribunal, does not empower the Tribunal with powers to grant permission to taxpayers to pay taxes in instalments or allow for a deposit of security for unpaid tax. Rather, the Act provides for the Tribunal's power to review a taxation decision and ascertain whether the assessment was excessive or whether a decision should not have been made or should have been made differently.

20. The Respondent, in addition, submitted that the Commissioner General is the only person vested with powers to permit payment of tax in instalments or require a taxpayer to furnish security for unpaid tax and thus the Tribunal does not have jurisdiction to grant the order sought for.

21. The Respondent further argued that ***Section 15 of the TAT Act*** also provides for a lump sum payment. Had the legislature intended to cushion taxpayers by providing the option of instalment payments, it would have expressly stated so. However, in addition to requiring a taxpayer to make a lump-sum payment, the taxpayer must also make a payment of **"whichever is the greater."** It is therefore inconceivable that the legislature intended to cushion taxpayers by providing for instalment payments in this section.

22. The Respondent relied on the case ***of Cape Brandy Syndicate v*** IRC, where the Court held that: "*in a taxing statute one has to look merely at what is clearly said. There is no equity about a tax. There is no presumption as to a tax. Nothing is to be read in; nothing is to be implied...*".

23. The Respondent submitted that the Tribunal does not have the jurisdiction to entertain an application for grant of payment of 30% in instalments since the correct procedure to be followed by the Applicant was to file an application for judicial review in the High Court. The decision to accept or deny a taxpayer's application for payment of instalments is at the discretion of the Commissioner General.

24. The Respondent cited Section 31 of the Tax Procedures Code Act, which provides that a taxpayer may apply in writing to the Commissioner for an extension of time within which to pay tax. Section 31 of the TPCA provides that the Commissioner may, having regard to the circumstances of the case, grant the taxpayer an extension of time for payment of tax or require the taxpayer to pay the tax in instalments as the Commissioner may determine.

25. The Respondent submitted that the above provision implies that the decision to grant a request for instalment payments by a taxpayer is discretionary and is made by the Commissioner on a case-by-case basis. In this case, the Commissioner declined to grant the said instalment payments by the Applicant. The Applicant therefore ought to have applied for judicial review, in order to ensure that a court of law makes a determination as to whether the decision of the Commissioner General was irrational and/or ultra vires.

VII. Submissions of the Applicant in rejoinder

26. The Applicant in rejoinder submitted that its application is for leave to pay 30% of the tax in dispute in instalments and does not challenge the requirement to pay the said 30% portion of the disputed tax. The Applicant does not dispute the obligation to pay the said tax; rather, the application is simply seeking leave to pay the amount in instalments pursuant to Section 31(3)(b) of the Tax Procedures Code Act (TPCA).

27. The Applicant in its rejoinder submitted that the Respondent ignored the fact that under our tax laws "objections" against tax matters are provided for in the TPCA. The law on objections to tax liability is clear. Anyone dissatisfied with an additional assessment may file an objection with the Commissioner General. The relevant law does not require payment of 30% of the disputed tax at the time of initiating the objection process.

28. The Applicant submitted that within 90 days, the Commissioner General is mandated to issue an objection decision. The law is clear. Nothing at this

point suggests that the decision of the Commissioner General depends on payment of any portion of tax. Again, the law does not require the taxpayer awaiting the Commissioner General's decision to pay any portion of the disputed tax.

29. Section 15(1) of the TAT Act requires a taxpayer to pay 30% of the tax in dispute pending the resolution of their application for review before the Tax Appeals Tribunal and not during the objection process. This legal position has been authoritatively considered and affirmed by the High Court in ***Nile Breweries Limited v Uganda Revenue Authority & 2 Others, Civil Appeal No. 14 of 2022***, where Justice Mubiru held that;

> *"The obligation to pay 30% tax before resolution applies only after a tax dispute is submitted to the jurisdiction of the Tribunal. Tax disputes arise when there is a disagreement between taxpayers and the tax authority regarding the interpretation or application of tax laws. Disputes on account of "tax assessed" may arise in connection with any of the four modes of assessment, i.e. self-assessment, default assessment, advance assessment and additional assessment...*
>
> *Appeals to the Tribunal are preferred on basis of taxation decisions or objection decisions. Section 15 (1) of The Tax Appeals Tribunals Act requires the deposit to be made pending final resolution of the objection. It therefore applies to the scope of the amount in dispute submitted to the jurisdiction of the Tribunal. Sometimes the entire amount will be in dispute while on other occasions only a part of it may be in dispute."*

30. The Applicant further submitted that there cannot be two views on the point that 30% is only relevant when a taxpayer disputes the objection decisions and wishes to have the Tax Appeals Tribunal reconsider the position reached by the Respondent in its objection decision.

31. The Applicant contended that the approach of the Respondent ignores the practical steps involved in tax disputes. This is because, upon issuance of the objection decision, not all tax amounts contained in the objection become the subject of proceedings before the Tribunal. In many instances,

the taxpayer and the tax authority may reach agreement on certain components of the assessment and such amounts may consequently be settled without forming part of the disputed tax before the Tribunal.

32. The Applicant submitted that on page 4 of its submissions, the Respondent contends that the Tribunal lacks jurisdiction to grant the Applicant leave to pay 30% of the disputed tax in instalments and that such authority is exclusively vested in the Commissioner General. This contention of the Respondent is surprising and contradictory. It is surprising because the Respondent, in rejecting the application of the Applicant herein, contended that it is not empowered to permit instalment payments. In its letter dated February 4 2026, the Respondent noted that: ***"the law does not provide for payment of the same [tax] in instalments, and the Uganda Revenue Authority is not vested with any discretion to vary this statutory requirement".*** This position was re-stated in **paragraph 5** of the ***Respondent's Affidavit in Reply*** wherein it affirmed its lack of discretion to grant payment of tax in instalments.

33. The Applicant in its rejoinder relied on ***Century Bottling Company v URA; TAT Miscellaneous Application No.32 of 2020***, where it was held that:

> "*The discretionary power conferred upon public authorities is not absolute, even within its apparent boundaries, but is subject to general legal limitations. These limitations are expressed in a variety of different ways, as by saying that discretion must be exercised reasonably and in good faith, that relevant considerations only must be taken into account, that there must be no malversation of any kind, or that the decision must not be arbitrary or capricious*".

34. The Applicant submitted that it was further held that in order for an applicant to succeed in their application against the Commissioner General's decision, they must show that the Commissioner General's decision is tainted with illegality, irrationality and procedural impropriety. The Applicant stated that it would demonstrate that the Respondent's Commissioner General improperly exercised his discretion in rejecting the Applicant's request to pay 30% of the assessed tax in instalments.

35. The Applicant submitted that in the case of ***Century Bottling (supra)***, the Tribunal found that the decision of the Commissioner General rejecting the application to pay 30% of the tax assessed in instalments was so outrageous in its defiance of logic, as it disregarded the widespread economic losses occasioned to the manufacturing sector as a result of the Covid-19 pandemic.

36. In the rejoinder, the Applicant submitted that ***Uganda Projects Implementation Management Centre (UPIMAC) v URA; Constitutional Appeal No. 2 of 2009*** relied on by the Respondent must be read, used and applied, in light of the Supreme Court judgment in ***URA v Rabbo Enterprises (U) Ltd & Another; Civil Appeal No. 12 of 2004*** which decisively settled the question of jurisdiction in tax matters. In ***Rabbo Enterprises (supra)***, the Supreme Court held that Article 152(3) of the 1995 Constitution establishing the Tax Appeals Tribunal, envisaged that all tax disputes would, in the first instance, be determined by the Tribunal, with the High Court's role being appellate, pursuant to section 27 (now Section 28) of the TAT Act.

37. The Applicant submitted that the effect of this authoritative pronouncement is clear; tax disputes must originate before the Tribunal and only proceed to the High Court by way of appeal. The Respondent's suggestion that the Applicant ought to have sought redress directly before the High Court by way of judicial review is therefore contrary to binding Supreme Court precedent and should be firmly rejected.

VIII. The Determination

38. Having read the submissions of both parties, this is the ruling of the Tribunal.

39. **Section 14 of the Tax Appeals Tribunal** provides that;

(1) Any person who is aggrieved by a decision made under a taxing Act by the:

(i) Uganda Revenue Authority; or

(ii) Committee established under the Tax Procedures Code Act,

may apply to the tribunal for a review of the decision.

(2) The Tribunal has power to review any taxation decision in respect of which an application is properly made.

40. Section 20 of the Tax Appeals ***Tribunal*** states that;

(1) For the purpose of reviewing a taxation decision, a tribunal may exercise all the powers and discretions that are conferred by the relevant taxing Act on the decision maker and shall make a decision in writing –

(a) affirming the decision under review

(b) varying the decision under review; or ....".

41. Based on the above provisions, it is trite law that jurisdiction is the foundation upon which any judicial or quasi-judicial body exercises its authority. In the case of ***Owners of the Motor Vessel "Lillian S" v Caltex Oil (Kenya) Ltd [1989] KLR 1 (EALR),*** it was held that jurisdiction is everything, and without it, a court must down its tools.

42. The Tribunal further held in ***MTN Uganda Ltd v URA, TAT Application No.15 of 2018*** that it has the jurisdiction to review the exercise of discretion by the Commissioner General. A taxpayer aggrieved by the exercise of discretion by the Commissioner General is entitled to have the Commissioner General's decision reviewed by the Tribunal. The Tribunal finds that the decision by the Commissioner General rejecting the Applicant's request to pay 30% in instalments is a taxation decision.

Payment of the 30% deposits in instalments

43. Section 15(1) of Tax Appeals Tribunal Act provides:

"A taxpayer who has lodged a notice of objection to an assessment shall, pending final resolution of the objection, pay 30 percent of the tax assessed or that part of the tax assessed not in dispute, whichever is greater."

44. The phrase "pending final resolution of the objection" refers to the period before the Tribunal delivers its ruling on the substantive application. It does not impose a deadline for payment before filing the objection or the application with the Tribunal. This interpretation was affirmed by the High Court in ***Nile Breweries Limited v Uganda Revenue Authority & 2***

Others (Civil Appeal No. 14 of 2022), where Justice Mubiru held that the obligation to pay 30% applies only after a tax dispute is submitted to the jurisdiction of the Tribunal, and not during the objection process.

45. Thus, the Respondent's assertion that the Applicant was required to pay the 30% before lodging its substantive application is without legal basis. Further still, the Tribunal finds that while the statute mandates payment of the 30%, it does not prescribe the mode of payment. The absence of an express prohibition against instalments cannot be interpreted as an implicit requirement for lump-sum payment.

46. In addition to the above, the Tribunal is mindful that it cannot import into section 15 of the Tax Appeals Tribunal Act a requirement which Parliament did not expressly enact. The Court of Appeal in ***Attorney General v Osotraco Ltd [2005] UGCA 84*** emphasised that existing legislation must be construed as written and that courts should not introduce substantive changes or implied conditions into statutory provisions. The absence of language requiring lump-sum payment therefore cannot be interpreted as a legislative prohibition against instalment payments.

47. The Tribunal therefore finds that section 15 mandates payment of the statutory deposit but does not restrict the manner in which such payment may be effected, provided that the objective of securing the revenue pending determination of the dispute is achieved.

48. Section 31(3)(b) of the Tax Procedures Code Act states:

> *"Where an application has been made under this section, the Commissioner General may, having regard to the circumstances of the case and by notice in writing –*
>
> *b) require the taxpayer to pay the tax in such instalment as the Commissioner General may determine".*

49. This provision confers clear discretionary authority on the Commissioner General to permit instalment payments. The Respondent's letter of 6 February 2026, stating that "the law does not provide for payment of tax in

instalments and the Uganda Revenue Authority is not vested with any discretion to vary this statutory requirement," is therefore a misstatement of the law. This demonstrates that the Respondent failed to properly direct itself on the law and consequently failed to exercise its discretion judiciously.

50. In ***Century Bottling Company Limited v Uganda Revenue Authority Miscellaneous Application No.32 of 2020,*** the Tribunal held that ;

> *"The question that the Tribunal must answer is this: would a reasonable authority, addressing itself to the widespread economic losses occasioned to the manufacturing sector and the economy at large, as a result of the Covid-19 pandemic, reject a request by a taxpayer to pay Shs. 7bn in instalments? This question should be understood in light of the fact that, not only does the authority in question have powers accorded to it by statute to grant such a request, but that it has in the past granted such requests, in times much less precarious than these and for amounts much smaller than what the applicant is required to pay."*

51. The facts at hand disclose that the war in Sudan and the consequent reduction in funding to not-for -profit organisations led to reallocation of the Applicant's financial support, which left the Applicant financially constrained and unable to settle Shs.212,063,038 being 30% of the assessed tax, in a lump sum.

52. In ***Century Bottling Company v Uganda Revenue Authority (supra),*** the Tribunal relied on the decision in ***Associated Provincial Picture Houses Ltd v. Wednesbury Corporation [1948] 1 KB 223*** and applying the standard set out in that case, now known as "Wednesbury unreasonableness" the Tribunal finds that the decision of the Commissioner General rejecting the application to pay 30% of the tax assessed in instalments, was unreasonable and punitive to the applicant bearing in mind the grounds they adduced in support of their application for instalment payments and the fact that the Applicant had already made two instalment

payments totalling to Shs.92,777,579 leaving only three instalments as proposed in their instalment payment plan.

53. The Tribunal hereby finds that since Section 15 of the TAT Act does not prescribe the mode of payment of the statutory deposit as requiring ***lump sum payment***, to hold so would be to read into the statute words that were not enacted by Parliament. The Applicant has demonstrated good faith by making partial payments and has provided reasonable justification for seeking instalment arrangements.

54. In the circumstances and in the interest of justice, the application is hereby allowed, and costs will be in the main cause.

55. The Applicant is permitted to pay the remaining balance of the 30% of the tax assessed within two months from the date of this ruling.

Dated at Kampala this **14th** day of **August** 2026.

HON.REBECCA NASSIMBWA NSUMBA
CHAIRPERSON

HON. EDWARD BIRYETEGA
MEMBER

HON. CHRISTINE KATWE
MEMBER