



THE REPUBLIC OF UGANDA
IN THE TAX APPEALS TRIBUNAL AT KAMPALA
TAT APPLICATION NO. 213 OF 2023

SWIFT SAFARIS LIMITED.....APPLICANT

VERSUS

UGANDA REVENUE AUTHORITY.....RESPONDENT

**BEFORE: HON. PROSCOVIA REBECCA NAMBI, HON. ROSEMARY NAJJEMBA,
HON. WILLY NANGOSYAH**

I. Introduction

1. This is a ruling in respect of an application challenging an administrative additional income tax assessment of Shs. 124,055,927 arising from disallowed brokerage fees.

II. Background Facts

2. The Applicant is a limited liability company engaged in passenger transport and logistics operations. The Respondent examined the Applicant's income tax return for the period 1 January 2020 to 30 December 2020 and issued an assessment of Shs. 174,212,326 after disallowing brokerage fees and staff welfare expenses totaling Shs. 541,272,600 and Shs. 27,268,000 respectively. Following the Applicant's objection, the Respondent revised the assessment to Shs. 124,055,927. Being dissatisfied with the revised assessment, the Applicant lodged the present application before the Tribunal.

III. Issues

3. The issue for determination is whether the Applicant is liable to pay the revised tax assessment of Shs. 124,055,927?

IV. Representation

4. The Applicant was represented by Mr. Joseph Angura while the Respondent was represented by Ms. Christine Mpumwire.
5. Mr. Umar Dungu, the Applicant's Operations Manager, stated in his witness statement that the Applicant operates passenger bus services along the Kampala–Mbarara route. He testified that on 26 June 2023, the Applicant received an income tax assessment of Shs. 174,212,326 for the year 2020. The assessment was based on the Respondent's claim that the Applicant failed to include brokers (touts) in its PAYE returns, thereby treating payments made to them as unaccounted direct wages.
6. The witness further testified that the brokers are not employees of the Applicant but operate independently within public bus terminals. They solicit passengers for various bus companies in exchange for a commission ranging from Shs. 1,000 to Shs. 3,000 per passenger, depending on demand, and sometimes higher during peak periods. These brokers are not exclusively attached to the Applicant and offer their services to any company willing to pay a higher commission.
7. He stated that the Applicant operates older buses and therefore relies significantly on brokers to attract passengers. Payments made to brokers are recorded through payment vouchers and reflected in the Applicant's expense ledgers. Upon objection to the assessment, the Respondent partially allowed the objection but maintained that brokerage expenses were unsupported due to the absence of receipts and that brokers ought to have been included in the Applicant's PAYE returns.
8. The witness emphasized that brokers do not issue receipts and that such a requirement is impractical within the industry. He maintained that brokers are not employees and are therefore not subject to PAYE. He further asserted that the expenses were genuinely incurred in the production of income and that the Respondent's refusal to allow them was arbitrary. The Applicant accordingly seeks to have the assessment set aside in its entirety.

9. In response, Mr. Kenedy Gumisiriza, an officer in the Respondent's Domestic Taxes Department, testified that the assessment arose from unaccounted employment costs relating to brokerage fees amounting to Shs. 541,272,600 and staff welfare expenses of Shs. 27,268,000 which were not reflected in the Applicant's PAYE returns under the Compliance Improvement Plan.
10. He testified that the Applicant submitted several documents including attendance sheets, payment vouchers, and ledger breakdowns. Upon review, the Respondent allowed the staff welfare expenses after verifying supporting documentation such as meals, refreshments, and staff events.
11. Regarding brokerage expenses, he testified that the Respondent evaluated the claims based on the number of trips, passenger capacity, and applicable commission rates. It concluded that it was not plausible for the Applicant operating four trips per day with buses of 60-passenger capacity to incur brokerage expenses amounting to Shs. 541,272,600 within one year.
12. He testified that the Respondent further disallowed brokerage expenses claimed because they related to the COVID-19 lockdown period when public transport was suspended, and reduced allowable expenses during periods when transport operated at half capacity. It also noted inconsistencies in payment vouchers indicating travel during periods when inter-district travel was prohibited. Consequently, the Respondent partially allowed the objection and revised the assessment to Shs. 124,055,927.

V. The Applicant's Submissions

Whether the Applicant is liable to tax as assessed?

The disallowed expenses are allowable expenditure incurred by the Applicant.

13. The Applicant submitted that it is not liable to pay the assessed tax. The Applicant submitted that the allowable expenditures in law are those expenses that the taxpayer incurs in the direct production of income, section 22 (1) (a) of the Income Tax Act. The language of the statute under which the deductions are allowed is very clear and free of ambiguity.

14. In *Stanley and Kilcullen, The Federal Income Tax (1948), p. 54*, the learned authors further espoused that: "...what is ordinary and necessary depends on the type of business...and the business customs of the time and in the locality... It is not necessary that the expenses be ordinary in that it is frequently made by the taxpayer".
15. The Applicant contended that the law establishes that, for any expenditure to qualify to be ordinary and necessary for the trade or as the business expense, it should be of the following character: (a) the expenses must be ordinary and necessary; (b) they must have been paid or incurred during the taxable year, (c) they must have been paid or incurred in carrying on the trade or business of the taxpayer, and (d) they must be supported by receipts, records or other pertinent papers. ***Commissioner of Internal Revenue Vs. Isabela Cultural Corporation, G.R. No. 172231, SCRA 556,563.***
16. The Applicant argued that when a taxpayer claims a deduction, he must point to some specific provision of the statute in which that deduction is authorized and must be able to prove that he is entitled to the deduction. A mere averment that the taxpayer has incurred a loss does not automatically warrant a deduction from its gross income, and tax deductions, being in the nature of tax exemptions, are to be construed strictissimi juris against the taxpayer. ***Commissioner of Internal Revenue Vs. General Foods, (Phils.) Inc., G.R. No. SCRA 545,550.***
17. The Applicant submitted that the expenses were duly incurred in the direct production of income, and burden rests on the Applicant to prove that on the balance of probabilities. The Applicant's witness, Mr. Umar Dungu, stated that, the Applicant is a company limited by shares, dealing in transport and logistics/passenger bus operations, operating at Kisenyi bus terminal and plying routes from Kampala to Mbarara, and during the period in issue, the Applicant had seven buses that were operational.
18. That the Applicant, objected to the assessment, on the grounds that the touts/brokers are not her employees and, and are paid commission for any

passenger brought and nothing more. The Applicant submitted that it supplied, payment invoices for brokerage fees, Payment invoices, staff welfare, Payment receipts for staff welfare, PAYE schedules, the audited books of account in the trial bundle.

19. The Applicant submitted that it does not have its own bus terminal and therefore operates in a public terminal, shared with many other bus companies that travel the same route. The presence of so many bus operators, mostly with brand new modern buses that are capable of attracting passengers by appearance, and not the Applicant with its old buses, is highly disadvantageous to the Applicant.
20. The Applicant submitted that to be able to get passengers for its old and tired buses embraced the use of passenger brokers who grab passengers as they come to the public terminal and bring them to the buses. The brokers are not owned by any bus company; their allegiance and loyalty lie with the bus company that gives them a better commission for each passenger they bring. The Applicant pays between Shs. 1,000 to Shs. 3,000 to a broker per passenger he brings, depending on the final destination of the passenger.
21. The Applicant submitted that all the expenses incurred during the day's movement of the bus are captured by the booking clerks in the book assigned to each bus, which are later given to the cashier who issues payment vouchers, which reflect the money spent on brokers, among other expenses. The payment vouchers are thereafter signed by the manager or the conductor in acknowledgment of receipt of the money. The Applicant produced a bulk of payment vouchers as exhibited before the Tribunal.
22. The reason for issuance of payment vouchers, in lieu of acknowledgement receipt by the brokers, was that, the brokers do not issue receipts for the 1000 or 2000, or the 3000 that they receive as takula, and there would be no way that the Applicant could account the expenses using the receipts of the brokers. The issue of whether the Applicant uses brokers in the course of doing her business is not in dispute.

23. The Applicant contended that the issue for the tribunal to determine in this matter is whether the brokerage fees declared by the Applicant were expenses fully incurred in the business, whether they are within the ambit of allowable expenses, and if so, whether they are supported by records allowable in law. The Applicant submitted that the Respondent's assessment against the Applicant is based on the fact that the Applicant did not include brokers in her PAYE returns for the year 2020.

Whether the expenses incurred by the Applicant as brokerage fees should be allowed as an allowable deduction

24. The Applicant stated that the Respondent contended that, she could not allow the brokerage expense incurred by the Applicant, as she could not rely on the proof of payment, that is, the payment vouchers submitted by the Applicant. The law under the section. 22 (1) of the Income Tax Act, does not restrict the amount or percentage of expenditure that is allowable.
25. The Respondent in this regard projected its case on the notion that the Applicant's expenses were much higher than what it could allow. The Respondent's notion in this regard should be disregarded, because in law, it is not open to the revenue to deny a taxpayer the tax benefit on the nature of expenses incurred.
26. The Applicant submitted that while there is no hard and fast rule as to what expenses are ordinary and necessary, as that usually depends on the nature of business undertaken by a given entity, the principles and standards used in the cases globally seem to exclude the idea of reasonableness of amount of expenses expended by the tax payer in the production of income, as a part of the phrase "ordinary and necessary," The Applicant relied on the case of ***Commissioner v. Heininger, 320 U.S. 467, 64 S.Ct. 249 (1943), see also National Cotton-seed Products Corp. Vs. Commissioner, 76 F.(2d) 839 (C.C.A. 6th, 1935).***
27. The Applicant argued that if a taxpayer, for reasons of poor accounting, or poor management runs a business in a way that is not profitable, should

such a tax payer be condemned into paying taxes just because he incurred so much expenses in running its business and in the end got less or no profits at all, hence low tax to the revenue. Poor business decisions should not be penalized by the revenue, as that is out of her jurisdiction.

28. The Applicant submitted that the deductions should be decided and allowed based on the provisions of the law as long as the taxpayer can be able to prove that it spent the money in the production of business income. The Applicant submitted that the payment vouchers are sufficient evidence in proof of payments made out/expenditure of any income, and in this matter, the brokerage fees. The Applicant submitted that the expenses it incurred were ordinary and necessary; (b) were paid or incurred during the taxable year, (c) were paid or incurred in carrying on its trade; and (d) they are ably supported by payment vouchers.
29. The Applicant prayed that the Tribunal find that the expenses on brokers declared by the Applicant are expenses it incurred in its ordinary doing of business, and they were incurred in the year in issue, and they are supported, and be pleased to allow the Application as it sets aside the assessments.

Whether the Applicant's brokerage expenses were excessive and not acceptable in tax standards.

30. The Applicant submitted that she was operating seven buses, and due to the competition in the transport industry, she was compelled to accept to use brokers to grab passengers and be paid some commission. When the bus moves all the way from Kampala to Mbarara, and vis versa, the bus pays the brokers along the route, as long as the bus is not full, it will be compelled to pick passengers along the way and it is charged by stage managers (brokers) of those stages, namely Nateete, Masaka, Mbarara etc. where they charge Shs. 2000 per passenger, and all that expenditure is recorded by the conductor.
31. At the end of the year, the Applicant spent Shs. 541, 272, 600, as brokerage fees. The Applicant filed her income Tax returns for the period and declared

that expenditure in her return as direct wages. A full bus takes 65 passengers, and the Respondent's witness in his evidence asserted that he allowed 49% of the passengers brought by brokers to the bus, and the remaining 51% boarded on their own.

32. The Applicant questioned how the Respondent came up with the 49%, of the allowable number of passengers as brought by brokers? The Respondent should have taken trouble to go to the ground to verify, and find out for herself how many passengers are brought in by brokers to the bus if she did not believe the Applicant's figures, but did not. The Respondent's only witness in his evidence was very clear that he has never been to the bus park, never been to the offices of the Applicant, but only interacted with the Applicant's accountant via phone since she is disabled. The Applicant submitted that almost all the 65 passengers who come and board the bus are brought by the brokers, and even those who would be coming on their own, the broker will come to escort the passenger and then claim the commission on that passenger, asserting that he is the one who brought the passenger.

33. The Applicant submitted that the Respondent, having asserted that the Applicant only received 49% of her passengers through brokers, bore the evidential burden to prove it. The Applicant had seven buses, and the Respondent allowed expenses for only four buses. No reason was advanced for refusing to allow the expenditure on the other three buses. The Applicant prayed that the application is allowed with costs against the Respondent.

VI. The Respondent's Submissions

34. The Respondent submitted that, subject to the provisions of section 17(1) of the Income Act, tax shall be charged each year of income and is imposed on every person who earns business income for the year of income, but only subject to, and in accordance with, this Act.

35. The Respondent submitted that "Chargeable income" is defined under section 15 of the Income Tax Act as; *Subject to Section 16, the chargeable*

income of a person for the year of income is the gross income of the person for the year, less total deductions allowed under this Act for the year.

36. In consideration of section 22(1)(a) of the Income Tax Act as amended,
- "While determining the chargeable income of a person for the year of income, all expenses and losses incurred by the person during that year of income shall be allowed as a deduction."*
37. The Respondent submitted that Section 22(1) (a) of the Income Tax Act provides that Subject to this Act, for the purposes of ascertain the chargeable income of a person for a year of income, there shall be allowed as a deduction all expenditures and losses incurred by the person during the year of income to the extent to which the expenditures or losses were incurred in the production of income included in gross income.
38. The Respondent submitted that the Applicant provided calculations based on the number of passengers and the number of trips made. The Applicant was allowed all the verified employee expenses and brokerage expenses based on the Applicant's own calculations.
39. The Respondent submitted that the disallowed claimed brokerage expenses were allegedly incurred during covid 19 lock down when public transport was suspended and allowed half expenses when public transport was operating at half capacity due to covid 19 restriction measures. Some of the payment vouchers provided by the taxpayer claiming that he was traveling from Mbarara to Kampala.
40. The Respondent argued that it's the period the public transport was not allowed to travel across districts due to covid 19 restrictions. The Covid 19 lockdown was first issued effective 18 March 2020. The Applicant claimed brokerage expenses for 18 March 2020 up to 31 July 2020 during covid 19 lockdown when public transport was suspended completely, restricted from district to district and when public transport operated at half capacity.

41. The Respondent cited the case of ***New Vision Printing & Publishing Corporation v Uganda Revenue Authority Civil Appeal No. 78 of 1999***, while citing the Kenyan authority in ***Kenya Meet Commission v The Commissioner of Income Tax No. 56 of 1967 (reported as case No. 127)*** where it was held:

"It is clear that evidence of the nature of expenditure is important in the determination of the question whether its deduction was permitted".

42. Further that in ***New Vision Printing & Publishing Corporation, v Uganda Revenue Authority (supra)*** noted that, *"this would mean that the law sought to restrict even further the categories of allowable deductions"*.

43. The Respondent submitted that it is no doubt that the cardinal rule of statutory interpretation is that statutes are to be read as a whole as enunciated by the Indian High Court in ***J.N. Duggan v Commissioner of Income Tax AIR 1952 BOMBAY 261;***

"Income is as large a word as can be used to denote a person's receipts it signifies that which comes in. An Act to impose a tax upon income is less general in scope; it must be liberally construed, and include everything which by reasonable understanding might fairly be regarded as income."

44. The Respondent cited the case of ***Forbes J.A in Commissioner of Income Tax v Buhemba Mines Ltd CA No. 77 of 1955*** as cited by Okumu Wenji, J., ***in New Vision Printing & Publishing Corporation v Uganda Revenue Authority (supra)***, had this to say about deduction of expenses;

"For an expense to be deductible, it must have been incurred for the direct purpose of producing profits. Therefore, some evidence had to be led on the matter. It is the view of this court that for a deduction to be allowed by statute or that it is not prohibited by statute. At the same time, for an expenditure to qualify for a deduction, some evidence of its character must be adduced. Thus, to a certain extent, it is a question of fact and law. The evidence must demonstrate that the expenditure was "wholly and exclusively" incurred by the appellant in the production of the income. If part of such expenditure relates to capital acquisition, wasting asset or could be deemed to be the

capitalised value for an asset, then the doubt arises as to whether it was wholly or exclusively incurred in the production of income)."

45. It was the Respondent's case that the Applicant was allowed all the verified expenses and the Applicant is therefore not entitled to the reliefs claimed. The Respondent prayed that the Tribunal find the Applicant liable to pay Shs. 124,055,927 with costs to the Respondent.

VII. The Applicant's Rejoinder

46. In rejoinder, the Applicant reiterates her earlier submissions that she is not liable to the tax as assessed, as the nature of her business involves using brokers to get passengers. The more a company pays, the more brokers will get passengers. The expenses were directly incurred during business.
47. According to the Applicant, the Respondent contended that she allowed all the expenses of the Applicant that were verified, including brokerage expenses. This is a departure from the position of the Respondent. The Respondent, in her defense, stated that she disallowed all the expenses incurred by the Applicant as brokerage fees and allowed only expenses related to staff welfare. She cannot be allowed in law to lead evidence outside her defense, to argue that she allowed part of the brokerage fees.
48. The Applicant submitted that a departure from a pleading has negative ramifications for the non-offending party, as the party in offense will in departure, raise evidence that is meant to realign his case without undertaking the amendment of pleadings. The Applicant prayed that the Tribunal disregard all the evidence that the Respondent is trying to bring to the Tribunal outside her pleadings and find that the Respondent disallowed all the expenses related to brokerage costs.

Whether all the brokerage expenses relate to the lockdown period?

49. The Applicant submitted that, notwithstanding, even if there was a lockdown, was the lock down for the whole year, the Respondent had to disallow all the expenses incurred by the Applicant in brokerage fees. The Respondent had a discretion to allow the expenses incurred by the Applicant, which she declined in their entirety. The evidence as in the trial

bundle shows that the Applicant spent money for brokerage from 1 January to 2020, up to 24 March 2020 Pg. 7 to 22, of the trial bundle. Then there were no operations for the later days of March, April, and May. The Applicant started operations on 1 June 2020, see Pg 23 of the trial bundle.

50. The Applicant submitted that the pause of the operations signifies the period of no activity. The Respondent is therefore not justified in denying the Applicant expenses incurred for the whole year, on account of the COVID-19 lockdown, and or that buses were operating on half capacity. The Respondent did not lead any evidence that even for the time buses were operating at half capacity, the Applicant was not spending on brokerage.
51. The Applicant submitted that the Respondent's act of disallowing some expenses which were incurred ordinarily in the production of Income is illegal as it violates the tenets of taxation as espoused under the Income Tax Act 2022 as amended.

VIII. The Determination of the Tribunal

52. We have carefully considered the pleadings, the evidence on record, and the submissions of both parties. The issue for determination is whether the Respondent lawfully disallowed part of the Applicant's brokerage expenses and consequently raised the impugned assessment of Shs. 124,055,927.

Applicable Law

53. Section 17(1) of the Income Tax Act, Cap 340. provides that:

"Subject to this Act, a tax to be known as income tax shall be charged for each year of income and is imposed on every person who has chargeable income for the year of income."

54. Section 15(1) of the Act defines chargeable income as:

"Subject to section 16, the chargeable income of a person for a year of income is the gross income of the person for the year less total deductions allowed under this Act for the year."

55. The relevant provision on deductibility is section 22(1)(a) which provides:

"(1) Subject to this Act, for the purposes of ascertaining the chargeable income of a person for a year of income, there shall be allowed as a deduction...all expenditures and losses incurred by the person during the year of income to the extent to which the expenditures or losses were incurred in the production of income included in gross income;"

56. The Tax Procedures Code Act, 2014 reinforces the evidential burden on taxpayers. Section 43(1) TPCA provides:

"A taxpayer shall maintain, in the English language, records in such form and containing such information as may be prescribed, as will enable the person's tax liability to be readily ascertained."

57. Further, section 43(2) provides that:

"The records required to be maintained under subsection (1) shall include books of account, records, paper, invoices, receipts, contracts, or other documents necessary to verify the entries in any tax return."

58. The burden of proof lies on the taxpayer to prove entitlement to a deduction. In ***Uganda Revenue Authority v Uganda Consolidated Properties Ltd SCCA No. 2 of 2001***, the Supreme Court held that:

"The burden is on the taxpayer to show that the assessment made by the Commissioner is excessive and that he is entitled to a reduction."

59. This principle has been consistently applied in tax jurisprudence. In ***New Vision Printing & Publishing Corporation v Uganda Revenue Authority Civil Appeal No. 78 of 1999***, the Court stated:

"Evidence of the nature of the expenditure is important in the determination of the question whether its deduction is permitted."

60. The same decision emphasised that for an expense to be deductible, it must have been incurred wholly and exclusively for the production of income. Further, in ***Commissioner of Income Tax v Total (U) Ltd IHC Income Tax Appeal No. 2 of 2006***, the Court held that:

“For an expense to be deductible, it must be shown that it was wholly and exclusively incurred in the production of income, and the taxpayer must provide sufficient evidence of that fact.”

61. These authorities establish that deductibility is a matter of statute, and that a taxpayer must prove, on a balance of probabilities the fact of the expenditure; and that the expenditure was incurred in the production of income.

Whether brokerage expenses are allowed in principle

62. We begin by addressing the nature of the expenditure. The Applicant operates in a competitive passenger transport environment and relies on brokers or touts to attract passengers. We accept, as a matter of commercial reality, that the use of brokers or touts is a common feature in the passenger transport sector. There is nothing in the Income Tax Act that prohibits brokerage expenses.
63. Applying section 22(1)(a), we find that brokerage expenses may qualify as deductible expenses to the extent that they are incurred in the production of income. Accordingly, we find that brokerage expenses are, in principle, allowable deductions.

Whether the Applicant proved the expenditure

64. The critical question is whether the Applicant proved the quantum and nature of the expenditure. The Applicant primarily relied on internal payment vouchers and ledger entries, audited accounts, PAYE schedules, and oral testimony to support the claim of Shs. 541,272,600 in brokerage expenses. The Applicant further explained that brokers/touts do not issue receipts for the commissions paid to them given the small quantum and the nature of the work. While vouchers are recognised records under section 43 of the Tax Procedures Code Act, their probative value depends on their reliability and detail.
65. We observe that the vouchers produced did not identify the recipients of the payments, and did not consistently link payments to specific trips, dates, or passengers. In *New Vision Printing & Publishing Corporation v URA*

(supra), the Court emphasised that the character of the expenditure must be proved. In our view, proof of expenditure requires more than internally generated documentation; it requires records capable of demonstrating, with reasonable certainty, that the expenditure was actually incurred in the course of income-generating activity. Particularly where substantial sums are claimed, the evidential threshold requires records that are capable of independent verification.

66. We therefore find that, while the Applicant may have demonstrated that brokerage expenses were incurred in its operations, it has failed to prove the full quantum claimed.

Impact of COVID-19 restrictions

67. The Respondent disallowed expenses claimed during the COVID-19 lockdown period when public transport operations were suspended or restricted. The Applicant acknowledged that operations ceased for part of the period and resumed thereafter. However, the Applicant did not provide a clear reconciliation distinguishing expenses incurred during active operations, expenses incurred during periods of inactivity, and expenses incurred after operations resumed.
68. Where a taxpayer claims deductions for a year of income, the law requires that the expenditure be linked to income-producing activity within that period.
69. We find that the Applicant's failure to segregate expenses between operational and non-operational periods renders the claim unverifiable. In such circumstances, the evidential uncertainty must be resolved against the party bearing the burden of proof.

Respondent's methodology

70. The Applicant challenged the Respondent's use of assumptions, including the allocation of 49% of passengers as broker-sourced and the limitation to four buses. We agree that tax assessments should not be based on arbitrary assumptions and that proper verification is desirable. However, it is equally settled that an assessment is presumed correct until disproved.

As stated in *URA v Uganda Consolidated Properties Ltd (supra)*, “an assessment is presumed to be correct until the taxpayer proves otherwise.”

71. While the Respondent’s methodology appears to have involved estimation without on-ground verification, this alone does not invalidate the assessment where the taxpayer has failed to prove the correct position. The Applicant did not provide sufficient evidence to demonstrate that the Respondent’s revised assessment was excessive.

Alleged departure from pleadings

72. The Applicant argued that the Respondent departed from its pleadings by asserting that part of the brokerage expenses was allowed. We find that this argument does not materially affect the determination. The revised assessment itself reflects that some expenses were allowed upon objection. The issue before us remains whether the disallowed portion was justified. No prejudice has been demonstrated.
73. From the foregoing analysis, we find that whilst brokerage expenses are, in principle, allowable under section 22(1)(a) of the Income Tax Act, the Applicant failed to provide sufficient, reliable, and verifiable evidence to support the full amount claimed. When a taxpayer claims expenditure, especially so, of a substantial magnitude, the law requires that such expenditure be supported by records of sufficient detail and reliability to enable verification. In the absence of such proof, the Tribunal cannot substitute speculation for evidence.

Remedies

74. Under section 19 of the Tax Appeals Tribunal Act, this Tribunal is empowered to confirm, reduce, increase, or annul an assessment. That jurisdiction must be exercised on the basis of the evidence placed before us. In the present case, we find no evidential or legal basis upon which this Tribunal can interfere with the Respondent’s revised assessment. Accordingly, the appropriate remedy is to uphold the Respondent’s objection.

75. We find that the Applicant has failed to discharge the burden of proof required to demonstrate that the revised assessment is excessive or incorrect. The application, therefore, fails.

Orders


1. The Application is dismissed.
2. The revised assessment of Shs. 124,055,927 is hereby upheld.
3. Costs shall follow the event.

It is so ordered.

Dated at Kampala this.....24th day of.....April.....2026.



**HON. PROSCOVIA REBECCA NAMBI
CHAIRPERSON**



**HON. ROSEMARY NAJJEMBA
MEMBER**



**HON. WILLY NANGOSYAH
MEMBER**