

**MAKERERE UNIVERSITY BUSINESS SCHOOL
FACULTY OF COMMERCE
DEPARTMENT OF AUDITING AND TAXATION
BACHELOR OF SCIENCE IN ACCOUNTING
COURSE OUTLINE**

COURSE TITLE: INCOME TAX & TAX ACCOUNTING

COURSE CODE: BSA3103

ACADEMIC YEAR: 2023/2024

YEAR OF STUDY: THREE

SEMESTER: ONE

Course description

This course is designed to familiarize the students with the income tax practices in Uganda. It involves an intensive study of income tax law and tax accounting practices, as they apply to the different forms of persons. It draws its focus onto taxing three categories of income sourced from business and employment activities as well as holding of property. This course builds onto the earlier introductory taxation & tax management course which renders the prior tax knowledge acquired essential. The course further expounds into international taxation given the practice of sourcing income from across state borders.

Course objectives

This course is intended to impart technical knowledge on income taxation into the students. The major objectives include the following;

- To provide knowledge on income tax practices as provided for within the law.
- To develop the students' competence in managing income tax administration procedures.
- To develop the students' analytical ability for income tax affairs.

Expected learning outcomes.

On successful completion of this course, candidates should be able to:

- Demonstrate an understanding of the background of income taxation in Uganda
- Demonstrate knowledge of the legal framework within which income taxes are administered.
- Determine whether one is subject to income tax.
- Determine whether an item is income.
- Identify the different types of itemized deductions.
- Use tax formulas to compute a person's taxable income & tax liability.
- Discuss the tax treatment & requirements under given taxable transactions.
- Preparing tax returns

Course content

	General topic of coverage	Specific content of coverage	Timing	Learning outcomes
1	Introductory review of income tax in Uganda	a) Evolution of income tax in Uganda b) Income tax as a central government tax. c) Legal basis for charging tax on incomes. d) Definition of key terms for income tax purposes <ul style="list-style-type: none">• Taxpayer• Gross income• Chargeable	(1 st week)	Demonstrate knowledge of basic income tax principles

		<p>income</p> <ul style="list-style-type: none"> • Year of income <p>e) Review of the basic considerations when charging income tax</p> <ul style="list-style-type: none"> • Nature of persons • Residence of persons • Type of income 		
2	Exemptions	<p>a) Exempt organizations</p> <p>b) Exempt incomes</p> <p>c) Exempt institutions</p> <p>d) Other exemptions</p>	(2 nd Week)	Identify incomes & persons exempt from income tax
3	Income from employment	<p>a) Review on the composition of employment income</p> <ul style="list-style-type: none"> • Amounts in revenue or capital nature. • Benefits in kind <p>b) Review of the exclusions to employment income</p> <p>c) Computation of tax on employment income (PAYE)</p> <ul style="list-style-type: none"> • Income from within Uganda • Foreign sourced employment income • Employment income from several sources 	(3 rd & 4 th Week)	Determine employment incomes and PAYE charge on them.
COURSEWORK TEST ONE				

4	Income from business	<p>a) Review the composition of business income.</p> <p>b) Expenses incurred in earning income.</p> <ul style="list-style-type: none"> • Expenses for deriving income. • Capital deductions. • Capital gains. <p>c) Tax accounting principles</p> <ul style="list-style-type: none"> • Methods of accounting • Prepayments • Long-term contracts • Trading stock • Debt obligations with discount or premium • Foreign currency debt gains and losses <p>d) Business income tax computation</p> <ul style="list-style-type: none"> • Company • Taxation of branches <p>e) Gross income concept</p> <p>f) Charging capital gains tax</p> <p>g) International taxation</p> <p>h) Withholding Tax</p>	(5 th to 10 th Week)	<ul style="list-style-type: none"> • Identify the different types of itemized deductions. • Discussing tax treatments & requirements under given transactions • Use tax formulas to compute a person's taxable income & liability
COURSEWORK TEST TWO				

5	Income tax returns	a) Requirement to submit of returns. b) Forms returns. <ul style="list-style-type: none"> • Provisional returns • Final returns c) Information required when filing returns. d) E-tax system e) Payment of tax and refunds f) Record keeping	(11 th Week)	Prepare tax returns
6	Objections and appeals	a) Taxpayer's obligations and rights. b) Powers of the commissioner general c) Objection to assessment d) Appeal to tax appeals tribunal e) Appeal to court of appeal f) Burden of proof	(12 th Week)	Demonstrate knowledge of lodging an objection or appeal

References

- a) Mugume. C., (2014), Managing Taxation in Uganda, 2nd Edition
- b) The constitution of the republic of Uganda
- c) Income tax act 1997
- d) Background to the budget
- e) Uganda revenue authority publications

Assessment

Coursework	30%
Final examination	<u>70%</u>
Total final mark	<u>100%</u>

Facilitators

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