Implication of the revised VAT Registration Threshold & Online NTR Refund Applications

November 2026

On 29 and 30 October 2026, the Uganda Revenue Authority (URA) issued public notices on the revised VAT registration threshold and on a new online refund process for erroneous or excess Non-Tax Revenue (NTR) payments.

A Implication of the Revised VAT Registration Threshold

In a notice first published on 30 October 2026, URA announced that, effective 1 July 2026, the annual VAT registration threshold has increased from UGX 150,000,000 to UGX 300,000,000. URA advised that VAT-registered taxpayers whose annual turnover falls below the new threshold may:

a) Apply to URA in writing for VAT de-registration;
b) Stay registered voluntarily, provided they keep meeting all VAT obligations (filing returns, paying tax due, issuing EFRIS e-invoices and keeping proper records); or
c) Be de-registered by the Commissioner General if they stay registered but do not meet the obligations in (b) above.

A taxpayer below the threshold who does not apply for de-registration is considered to have opted to remain voluntarily registered.

What does this mean?

For businesses that are not VAT registered

A person that has taxable supplies of UGX 300,000,000 (exclusive of VAT) in a year is required to apply and register for VAT. Failure to comply may expose the person to principal tax, interest and penalties.

For businesses already VAT registered

If your annual turnover is below the revised UGX 300,000,000 threshold, you are no longer required to be VAT registered. You must choose between applying to de-register or staying registered voluntarily provided you keep meeting all VAT obligations.

If you do not apply to deregister, you will be treated as having opted to remain on the VAT register, so all VAT obligations including filing monthly returns and paying any tax due by the 15th day of the following month, continue to apply.

Key considerations before applying for VAT de-registration

De-registration is not automatic; Section 9 of the VAT Act Cap 344 sets conditions and consequences for cancellation of VAT registration:

a) **Eligibility:** Taxable supplies must not exceed 25% of the annual threshold in the latest three months (25% is now UGX 75m) and 75% in the previous twelve months (75% is now UGX 225m).

b) **Voluntary registrants:** If you registered voluntarily (i.e you had not met the mandatory registration threshold), you can only apply for de-registration two years after registration.

c) **Output VAT:** Goods on hand, including capital goods, are deemed to be sold at the fair market value at the time of cancellation of the VAT registration and therefore output VAT will be due where input VAT was claimed on such goods.

d) **Outstanding obligations and liabilities:** Cancellation of VAT registration does not take away obligations to file returns or pay outstanding taxes related to the period prior to the de-registration.

e) **Claiming of Input VAT:** After cancellation of the VAT registration, you will no longer claim VAT on your purchases or expenses, the VAT incurred will become a cost to you.

f) **Issuance of electronic invoices/receipts:** Upon deregistration, you will not apply VAT on your invoices to customers. However, if you are in a sector designated to issue electronic invoices or receipts, you will continue to be obliged to issue electronic invoices/receipts even if not VAT registered.

B Introduction of the Online Refund Applications for Non-Tax Revenue (NTR) Payments

On 29 October 2026, the Uganda Revenue Authority (URA) issued a public notice informing the public that applications for refunds of erroneous or excess payments made to URA for driving permits, motor vehicle registration services, stamp duty, and other services provided by Government Ministries, Departments and Agencies (MDAs) can now be made online through the URA portal.

What does this mean?

Payments to URA are referenced with Payment Registration Numbers (PRNs). Circumstances that may give rise to refunds include overpayments and stamp duty paid on instruments that are not subject to duty or are subsequently cancelled.

Taxpayers can now submit and track the refund application on the URA portal, although supporting documents for stamp duty and driving permit refunds must still be submitted physically at the nearest URA office.

How to apply

1. Go to the URA portal and click the refund button.
2. Select either Payments made to Ministry, Department, Agency (MDA) or Motor Vehicle/Stamp Duty/Driving Permit, and follow the prompts.
3. Submit the application. You will receive an acknowledgement receipt with a reference number, which you can use to track the status of the application online.

Documents required

The notice sets out the following requirements for each type of refund:

Refund type	Supporting documents
Driving permit / motor vehicle refunds	Valid driving licence and motor vehicle registration number; NIN for individuals (or other identification for non-Ugandans); both the erroneous and the correctly paid PRNs (payment slips).
Stamp duty refund	Confirmation letter (for transactions under the Ministry of Lands and the Uganda Registration Services Bureau); cancellation notice for the stamp duty instrument, generated through the web portal account.
MDA refunds	Letter of confirmation or no objection to the refund from the relevant MDA; both the erroneous and the correctly paid PRNs (payment slips); TIN/BRN for companies, NIN for Ugandans, other identification for non-Ugandans, or a birth certificate for a minor.

Recommended Actions

1. All applications must include a working mobile contact and bank account details. All taxpayers must have their bank details updated on the URA TIN profile. This links directly to URA's earlier requirement for all taxpayers to update their registration details (NIN/BRN, contacts and address) on the portal. A company whose TIN profile is not up to date may not be able to receive its refund.
2. All relevant supporting documents for stamp duty and driving permits should be submitted to the nearest URA office.
3. Any application that does not meet these requirements will be rejected within 5 days of submission without further notice.

HOW BDO CAN ASSIST

Our Tax & Legal team is available to provide further clarification, support you may need to ensure compliance, or obtain refund of overpaid taxes.

For further guidance, please contact us on **ug-tax@bdo-ea.com**.

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