

Museveni slashes fees for city taxis

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President Museveni has said taxi operators should pay a monthly road user fee of Shs80,000 and not Shs120,000 to Kampala Capital City Authority (KCCA).



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A recent press release states that "... he, therefore asked them to adhere to the new regulations with the aim of putting a monthly or annual reduction on the charges compared to Shs280,000 that KCCA charges currently per taxi per month. He suggested a monthly user fee of Shs80,000."

The statement follows a meeting held at State House last Friday between the President, the Prime Minister, representatives from KCCA, Ministry of Works and Transport, Ministry of Local Government and representatives of taxi operators.

The meeting was triggered by a demonstration of taxi operators last week who were protesting the payment of Shs120,000.

The angry taxi operators accused the authority of defying the presidential directive to the Prime Minister in July to allow all informal businesses pay taxes annually but not monthly.

The taxi operators blocked the president's convoy, seeking to explain to him why they were protesting. Museveni promised to meet them as soon as he returned from Mbale.

According to the press release, representatives of taxi operators told the president that they have no objection to the payment of the annual operational licence charges, income tax, third party, insurance tax and vehicle inspection fee for life.

However, they explained that they are not comfortable with KCCA and other municipalities system of charging.

The meeting, the release adds, unanimously agreed that in the next seven months, all taxi operators will be restricted to specific routes and will pay taxes at the point of destination and not at the point of departure.

"... It was, however, noted that taxi commuters operating in the city centre would pay a little bit more charges compared to those operating in other municipalities and upcountry because those in the city centre stand better chances of being in business," the release states.

Yasiin Ssematimba, the chairperson of Kampala Operational Taxi Stages Association (Kotsa), one of the taxi factions who attended the Friday meeting, confirmed the development.

"We are happy because this will reduce tension among taxi drivers which has always been caused by authorities while collecting these taxes. The president's word takes precedence and we don't expect the officials responsible for the transport business in Uganda to defy him," he said.

But he challenged fellow taxi operators to respect their passengers, and also pay taxes on time to avoid inconveniences that could force them out of business.

Mustapha Mayambala, the chairperson of Uganda Transporters Development Agency (Utrada), another faction, who also attended the Friday meeting, said:

"We are ready to pay taxes and we shall actually rally our fellow taxi operators to pay taxes because we also need services. Our problem has been authorities who collect taxes without clear guidelines on ground".

Peter Kaujuu, the KCCA spokesperson, said the new changes are likely to affect their operations.

"..we have been struggling with financial gaps in delivery of services. The new development definitely doesn't make the situation any better," he said.

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