

SPECIAL ISSUE

Kenya Gazette Supplement No. 153 (National Assembly Bills No. 37)



REPUBLIC OF KENYA

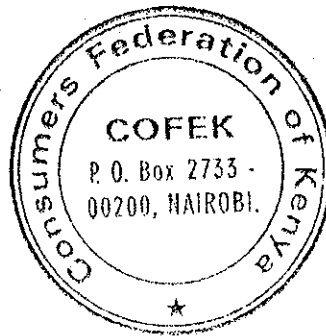
KENYA GAZETTE SUPPLEMENT

NATIONAL ASSEMBLY BILLS, 2013

NAIROBI, 8th November, 2013

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**THE VALUE ADDED TAX (AMENDMENT)
BILL, 2013**

A Bill for

**AN ACT of Parliament to amend the Value Added
Tax Act, 2013 and for connected purposes**

ENACTED by the Parliament of Kenya, as follows—

1. This Act may be cited as the Value Added Tax (Amendment) Act, 2013.

Short title.

2. Section 33 of the principal Act is amended by deleting the word "two" appearing before the word "times" and substituting therefor the word "five".

Amendment of section 33 of No. 35 of 2013.

3. Section 48 of the principal Act is amended by deleting subsection (4).

Amendment of section 48 of No. 35 of 2013.

4. Section 51 of the principal Act is amended by deleting the word "reasonable" appearing immediately before the word "grounds" in subsection (2) and substituting therefor the words "sufficient and verifiable".

Amendment of section 51 of No. 35 of 2013.

5. The principal Act is amended in the First Schedule—

Amendment of the First Schedule to No. 35 of 2013.

(a) in Part I, by inserting the following new items in Section A immediately after item 39—

"40. Made-up fishing nets of man-made textile material of tariff no. 5608.11.00.

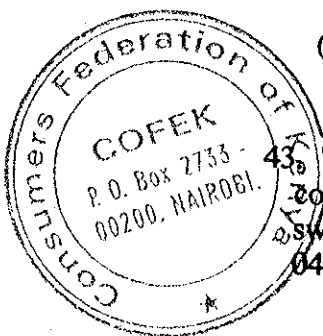
41. Mosquito nets of tariff no. 6304.91.10.

42. Milk and cream, neither concentrated nor containing added sugar or other sweetening matter of tariff Nos.—

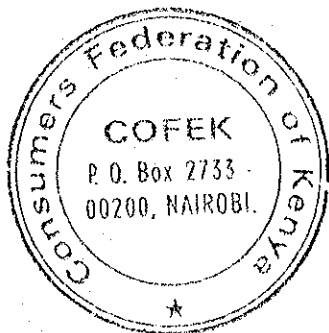
(a) 0401.10.00 – of a fat content, by weight, not exceeding 1%; and

(b) 0401.20.00 – of a fat content, by weight, exceeding 1% but not exceeding 6%.

43. Milk and cream, concentrated or containing added sugar or other sweetening matter of tariff no. 0402.10.00.



44. Materials, waste, residues and by-products, whether or not in the form of pellets, and preparations of a kind used in animal feeding of tariff numbers 2308.00.00, 2309.10.00, 2309.90.10 and 2309.90.90.
 45. Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth regulators, disinfectants and similar products, put up in forms or packings for retail sale or as preparations or articles (for example, sulphur-treated bands, wicks and candles, and fly papers) of tariff no. 3808.50.00.
 46. Ambulances and hearses of tariff no. 8703.90.10.
 47. Crispbread of tariff no. 1905.10.00”;
- (b) in Part II, by inserting the following new items immediately after item 18—
- “19. Credit reference bureau services.
 20. Sanitary and pest control services provided to household.
 21. Postal services.
 22. Supply of electricity to households (restricted to 200 kilowatt hours).
 23. Supply of water drilling services.
 24. Supply to Rural Electrification Authority.”



MEMORANDUM OF OBJECTS AND REASONS

The principal object of this Bill is to amend the Value Added Tax Act, 2013 (No. 35 of 2013).

The Bill seeks to widen the list of goods and services exempt from taxation, leading to low prices of those goods and services, to particularly cushion the citizenry falling within the low-income bracket from runaway prices of basic commodities by making those commodities affordable to majority of the citizenry. This is intended to mitigate the high cost of living experienced when prices of basic commodities escalate when subjected to taxation. Similarly, it seeks to cushion farmers from high prices of critical inputs by exempting those inputs from taxation thereby making them affordable. This will in turn stimulate growth in the agricultural sector, a key sector of the economy.

The amendments proposed in the Bill are also expected to reduce the costs related to the administration and compliance with the substantive Act while not significantly affecting the revenue obtained from value added tax.

This Bill does not concern county governments and neither does it affect the powers and functions of county governments.

The enactment of this Bill shall not occasion additional expenditure of public funds.

Dated the 29th October, 2013.

JOHN MBADI,
Member of Parliament.

