

**SPECIAL ISSUE**

*Kenya Gazette Supplement No. 36 (National Assembly Bills No. 8)*



REPUBLIC OF KENYA

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**KENYA GAZETTE SUPPLEMENT**

**NATIONAL ASSEMBLY BILLS, 2020**

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**NAIROBI, 30th March, 2020**

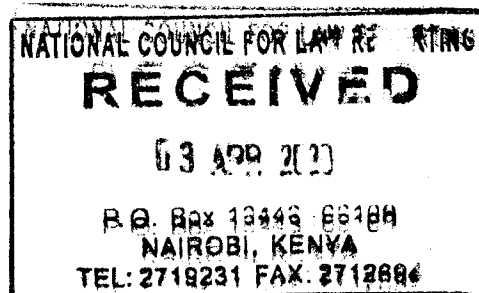
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**THE TAX LAWS (AMENDMENT) BILL, 2020****A Bill for**

**AN ACT of Parliament to make amendments to tax related laws**

**ENACTED by the Parliament of Kenya, as follows—**

1. This Act may be cited as the Tax Laws (Amendment) Act, 2020 and shall come into operation, or be deemed to have come into operation on the date of assent.

Short title and commencement.

2. The several laws specified in the first column of the Schedule are amended in the provisions specified in the second column thereof, in the manner specified in the third column.

**SCHEDULE**

<i>Written Law</i>	<i>Provision</i>	<i>Amendment</i>
The Income Tax Act (Cap. 470)	s.2	Delete the definition of “qualifying interest” and substitute therefor the following new definition —
		“qualifying interest” means the aggregate interest, discount or original issue discount receivable by a resident individual in any year of income:
		Provided that —
		(a) interest earned on an account held jointly by a husband and wife shall be deemed to be qualifying interest; and
		(b) in the case of housing bonds, the aggregate amount of interest shall not exceed three hundred thousand shillings.
s.10(1)		Insert the following new paragraph immediately after paragraph (j)—

- (k) sales promotion, marketing, advertising services, and transportation of goods (excluding air and shipping transport services).

s. 12C (1)

Delete subsection (1) and substitute therefor the following new subsection—

(1) Notwithstanding any other provision of this Act, a tax to be known as turnover tax shall be payable by any resident person whose turnover from business is more than five hundred thousand shillings but does not exceed or is not expected to exceed fifty million shillings during any year of income.

(3) Delete paragraph (c)

(5) Delete

(6) Delete

15(2)(ab) Delete

15(2)(h) Delete

15(2)(s) Delete

15(2)(ss) Delete

15(2)(u) Delete

15(2)(v) Delete

15(2)(x) Delete

22C Delete

34(2) Delete paragraph (o) and substitute therefor the following paragraphs—

(o) insurance or reinsurance premium, except insurance or reinsurance premium paid in respect of aircraft; or

(p) sales promotion, marketing, advertising services, and transportation of goods (excluding air and shipping transport services).

35(1)

Insert the following new paragraph immediately after paragraph (n) —

(o) sales promotion, marketing, advertising services, and transportation of goods (excluding air and shipping transport services).

s.133.

Insert the following new sub-section immediately after sub-section (5)—

(6) Notwithstanding the repeal of the Second Schedule, the provisions of paragraph 24 E of the repealed Schedule shall continue to be in force until 30th August, 2020.

First Schedule, Part A,  
paragraph 4

Delete

paragraph 7

Delete

paragraph 9

Delete

paragraph 18

Delete

paragraph 22

Delete

paragraph 25

Delete

paragraph 28

Delete

paragraph 29

Delete

paragraph 30 Delete

paragraph 31 Delete

paragraph 32 Delete

paragraph 33 Delete

paragraph 34 Delete

paragraph 35 Delete

paragraph 36 Delete paragraph 36 and substitute therefor the following new paragraph—

36. Such part of the income of an individual, chargeable to tax under section 3(2)(f) as consists of a gain derived from the transfer of property (including investment shares) which is transferred or sold for the purpose of administering the estate of a deceased person where the transfer or sale is completed within two years of the death of the deceased or within such extended time as the Commissioner may allow in writing:

Provided that where there is a court case regarding such estate, the period of transfer or sale under this paragraph shall be two years from the date of the finalization of such court case.

paragraph 40 Delete

paragraph 41 Delete

paragraph 44 Delete

paragraph 45 Delete

paragraph 46 Delete

paragraph 47 Delete