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THIRTEENTH PARLIAMENT

NATIONAL ASSEMBLY

THE HANSARD

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THE HANSARD

Wednesday, 19th June 2024

The House met at 2.30 p.m.

[The Speaker (Hon. Moses Wetang'ula) in the Chair]

PRAYERS

Hon. Speaker: Hon. Members, we have quorum to transact business. Clerk-at-the-Table.

(Hon. Caroline Ng'elechei walked into the Chamber while on the phone)

Order, Hon. Ng'elechei! It is out of order to be on the phone while in the Chamber.

COMMUNICATION FROM THE CHAIR

DELEGATION FROM THE UNITED STATES CONGRESS

Hon. Speaker: Hon. Members, allow me to recognise a delegation from the United States Congress. I wish to introduce to you a Delegation from the House Democracy Partnership Programme, who are seated in the Speaker's Row. They are:

1. Congressman Vern Buchanan - Chairman, House Democracy Partnership (Republican, Florida – Head of Delegation);
2. Congresswoman Gwen Moore (Democrat - Wisconsin);
3. Congresswoman Barbara Lee (Democrat - California);
4. Congressman Dan Kildee (Democrat - Michigan);
5. Congressman Darin LaHood (Republican - Illinois);
6. Congressman Neal Dunn (Republican - Florida);
7. Congressman Jodey Arrington (Republican - Texas); and,
8. Congressman Drew Ferguson (Republican - Georgia).

The Delegation is accompanied by four congressional staff and staff from the United States Embassy in Nairobi, who are seated in the Speaker's Gallery. The Delegation is on a visit to sign a Memorandum of Understanding between the House Democracy Partnership of the United States House of Representatives and the Parliament of Kenya, (which yours truly has already signed), with the Head of the Delegation between the House of Democracy Partnership of the United States House of Representatives and the Parliament of Kenya.

On my behalf and that of the National Assembly, I welcome the Delegation to Parliament and wish them a fruitful visit.

I hasten to mention also that we have had a very fruitful meeting where I was accompanied by the Leaders of the Majority and Minority Parties and selected Chairmen of various Committees. We have concluded a memorandum of understanding which will assist in fostering relationships between this House and the Houses in the United States of America (USA) in terms of exchanging visits, shared experiences and many other legislative programmes.

Thank you. Leader of the Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Thank you, Hon. Speaker. On behalf of the House, the Majority and Minority Parties in the House, I take this opportunity to welcome the Delegation from the USA Congress. Let me restate what we said in the meeting. We share very many common values, top among them are freedom and democracy. This being the House of Representatives in the Republic of Kenya, we assure our friends in the USA that we will continue the co-operation between our two countries to enrich our democracies. I am glad that in this Delegation, there are Members who are serving on the Budget Committee, and the Committee of Ways and Means.

This afternoon, just for your information, we are in the debate of a Report by our Departmental Committee on Finance and National Planning Committee, which is basically the Ways and Means Committee in the Republic of Kenya. We welcome them into the country.

Hon. Speaker: Thank you. Next Order.

PAPERS

Hon. Speaker: Hon. Naomi Waqo.

Hon. Naomi Waqo (Marsabit County, UDA): Hon. Speaker, I beg to lay the following Papers on the Table:

1. The World Trade Organisation Agreement on Fisheries Subsidies from the Ministry of Investments, Trade and Industry;
2. Reports of the Auditor-General and Financial Statements for the year ended 30th June 2023, and the certificates therein in respect of:
 - (a) Chemelil Sugar Company Limited;
 - (b) Bomet University College;
 - (c) University of Kabianga;
 - (d) Kaimosi Friends University;
 - (e) Turkana University College;
 - (f) Ijara Technical and Vocational College; and,
 - (g) Kenya Universities and Colleges Central Placement Service.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you. Next.

NOTICE OF MOTION

INTRODUCTION OF MANDATORY COMMUNITY SERVICE FOR ALL LEARNERS UPON COMPLETION OF SECONDARY SCHOOL EDUCATION

Hon. Speaker: Hon. Amos Mwago.

Hon. Amos Maina (Starehe, JP): Hon. Speaker, I beg to give notice of the following Motion:

THAT, aware that there are minimum requirements for enrolment of students to tertiary education in the country; further aware that not all students qualify for university or Technical and Vocational Education Training (TVET) institutions due to lack of minimum grades for direct enrolment or financial constraints; acknowledging that there is need to provide technical skills to students who do not progress to university to reduce the ever-increasing unemployment rate among the youth; cognizant of the fact that lack of advanced education has led to a high rate of unemployment among the youth; appreciating that mandatory community service for all students upon completion of secondary school education would equip them with technical and life skills for the

marketplace; further noting that the community service training will encourage learners to develop an understanding of civic responsibility to support and strengthen communities; this House, therefore, resolves that the Government, through the Ministry of Education, introduces mandatory community service to all learners upon completion of secondary school education.

Hon. Speaker: Thank you, Hon. Mwago. Before we go to the next Order Hon. Members, allow me to recognise, in the Public Gallery, learners from the following schools: Iretet Comprehensive School, Narok West Constituency, Narok County; Ngong Township Secondary School, Kajiado North Constituency, Kajiado County; Kibera Secondary School, Kibra Constituency, Nairobi City County; Solian Mixed Day, Eldama Ravine Constituency, Baringo County; Temnyota DEB, Kuresoi North Constituency, Nakuru County and, Ikatini Secondary School, Masinga, Machakos County. Hon. Ngogoyo has asked for a chance to welcome the learners. I allow you to welcome all the learners on our behalf.

Hon. Onesmus Ngogoyo (Kajiado North, UDA): Thank you, Hon. Speaker. With your permission, I welcome the students who have found their way here, specifically from Narok, Baringo, Nairobi, Nakuru and Kajiado counties. I wish to welcome them to this august House and request them to work hard. I once visited this House like them and as a result of hard work and determination, I have also found myself here as a Member of Parliament to represent them.

For those who are sitting for their examinations this year, I wish them well in their studies. For those who are not sitting their exams, we wish them well in their education. We hope that one day, they will find their way here to represent or serve this country in very many other ways. Thank you very much. Those from my village in Ngong, I really welcome them.

Hon. Speaker: Thank you. On behalf of the House and myself, we welcome all the schools to the House of Parliament. Next Order.

QUESTIONS AND STATEMENTS

REQUEST FOR STATEMENT

Hon. Speaker: Hon. David Gikaria

CIRCUMSTANCES SURROUNDING THE DEATH OF MR SADDAT KILONZO

Hon. David Gikaria (Nakuru Town East, UDA): Hon. Speaker, pursuant to the provisions of Standing Order 44(2)(c), I rise to request for a statement from the Chairperson of the Departmental Committee on Administration and Internal Security regarding the death of one Mr. Saddat Kilonzo in Nakuru Town Constituency.

On 17th June 2024 at around 5:00 a.m. Mr. Saddat Kilonzo was abducted by unknown persons at the entrance of Wakulima Market within Nakuru County's Central Business District (CBD). Sadly, his body was discovered later that morning near Menengai High School, approximately 500 metres from where he was abducted. Bizarrely, his motorcycle was also found later that day at the Rhonda Police Station. It is unclear how the body and motorcycle ended up in different locations. The matter was reported to the DCIO Headquarters in Nakuru County under OB No.14/17/6/2024 for further investigations.

While the Government has made efforts to safeguard the lives of citizens and ensure the security of residents in Nakuru Town East Constituency, the recent abduction and tragic loss of life highlights the need to address the security issues of the area in order to effectively safeguard the lives of the residents.

It is against this background that I request for a statement from the Chairperson of the Departmental Committee on Administration and Internal Security on the following:

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1. What is the status of investigations into the circumstances that led to the death of Mr. Saddat Kilonzo as reported under OB No. 14/17/6/2024 and what measures have been put in place to prevent such incidences in the future?
2. How was the motorcycle of the deceased person found at Rhonda Police Station, which is over 5 kilometres from where his body was found?
3. How come the CCTV footage from the place of abduction and where the body was located is yet to be made public to assist in identifying the culprits?
4. What measures are in place to address insecurity in Nakuru Town East Constituency?

I thank you, Honourable Speaker.

Hon. Speaker: Thank you, Hon. Gikaria. Hon. Tongoyo, that goes to your Committee.

Hon. Gabriel Tongoyo (Narok West, UDA): Thank you, Hon. Speaker. I will give a response to the request for statement in two weeks.

Hon. Speaker: Thank you. Two weeks it is. Hon. Pukose are you ready with the Statement?

Hon. (Dr) Robert Pukose (Endebess, UDA): Yes.

Hon. Speaker: Is the Member who asked the Question here?

(Hon. (Dr) Robert Pukose spoke off the record)

Member for Nyaribari Chache? Hon. Pukose, maybe, you should do it tomorrow.

Hon. ((Dr) Robert Pukose (Endebess, UDA): Thank you, Hon. Speaker. This was asked by Hon. Zaheer, Member for Nyaribari. Since he is not in the House, I request that I respond tomorrow, but I am ready with the response.

Hon. Speaker: Yes. I do not see him in the House. You will respond tomorrow in the afternoon. He will explain why he is not here.

Hon. ((Dr) Robert Pukose (Endebess, UDA): Okay.

Hon. Speaker: Next Order.

BILLS

First Readings

THE KENYA ROADS BOARD (AMENDMENT) BILL
(National Assembly Bill No. 18 of 2024)

THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) (NO. 2) BILL
(National Assembly Bill No. 26 of 2024)

(The Bills were read a First Time and referred to relevant Committees)

Second Reading

THE FINANCE BILL
(National Assembly Bill No.30 Of 2024)

(Moved by Hon. Kuria Kimani on 19.6.2024 – Morning Sitting)

(Resumption of Debate interrupted on 19.6.2024 – Morning Sitting)

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Hon. Speaker: We now go back to the Finance Bill. My record shows that the Member for Mavoko had concluded his contributions. Let us have Hon. Parashina Sakimba.

Hon. Parashina Sakimba (Kajiado South, ODM): Thank, Hon. Speaker. In light of the approved Budget for the Financial Year 2024/2025 amounting to Ksh4 trillion that is supposed to be raised by this Finance Bill 2024, I would like to bring to your attention that the Financial Bill 2023 that was passed here is still a burden to Kenyans. If at all the National Treasury was looking for ways to raise...

Hon. Kuria Kimani (Molo, UDA): On a point of order, Hon. Speaker.

Hon. Speaker: Yes, Hon. Kuria, Chairman of the Committee. Give him the microphone. There you are.

Hon. Kuria Kimani (Molo, UDA): Hon. Speaker, I rise under Standing Order 91 which requires that the Member substantiates the accuracy of the information he has shared. He has said that the Finance Bill is proposing to raise Ksh4.1trillion. That statement cannot be any more misleading. It is exaggerated by almost 1,000 per cent.

Hon. Speaker: Hon. Parashina, where did you get that? You are challenged to show us where that is coming from.

Hon. Parashina Sakimba (Kajiado South, ODM): Hon. Speaker, it is an estimation. I was talking about the Finance Bill, 2023. It was supposed to take care of the deficit of the Budget. You can check. We have a deficit from that record of Ksh224 billion. It was not raised due to the introduction of the Finance Bill, 2023. This was clearly illustrated yesterday.

I want to appreciate the amendments that have been proposed by the Departmental Committee on Finance and National Planning. However, I am concerned by the fact that the changes were made after pressure from the public and Generation Zoomers (Gen Z). Why wait until last minute?

The Laffer curve economic theory proposed in 1974 by Arthur Laffer, states that when the tax rate is high, as compared to collection, the revenue target is always not achievable. I urge those who are looking at taxation as the only main source of revenue collection that they are getting it wrong. Who are they taxing now? The *mama mboga, boda* people and Kenyans in general are still complaining about the Finance Bill, 2023. Once you introduce this Finance Bill, 2024, the question is: Who is the target? That money is not there. Collecting the tax is not easy.

Our colleagues are only trying to bring the issue of taxation as the only source of revenue. How about mining? Why do we not think outside the box and explore mining? Why do we have a Cabinet Secretary in charge of mining? In countries like Angola, South Africa and Tanzania, monies from mining plays a bigger part in raising funds. We cannot be captive of International Monetary Fund (IMF). The only thing they want us to do is raise money through taxation. They are taxing Kenyans day and night. No one is talking about Tullow Oil in Turkana. Why do we not go back and think of other ways of raising revenue apart from taxation? We cannot be a lazy country that does not think about other means of raising revenue.

On Clause 45, they are proposing an Eco Levy. We agree that they want to protect the environment and reduce pollution, but this Eco Levy is proposed to be imposed on imported goods. This will affect the sanitary towels. I do not know if they want our girls to use napkins or they want us to go back to COVID-19 time, where people were using *lesos* and *vitambas* as masks. If you go to the shops and chemists, you will find good quality sanitary towels that are imported.

(Applause)

The Chairman has mentioned that there was a suggestion during public participation to increase the import taxation fee from 2.5 to 3 per cent on Clause 44 (a). They go ahead and state that the Finance Act, 2023 led to a reduction of Ksh10 billion in tax collection. We are not the only people who are left in the universe working for ourselves. You are targeting to destroy imports and make our local people gain, while forgetting that we are a competitive country that needs to compete with others.

In Clause 57(b), the Chairman has illustrated very well matters to do with electronic tax system, data management and report system. They state that the provision is too punitive and they recommend reducing it to be commensurable with the offence. The question is: Which offence?

Let me give my advice. We cannot create a self-sufficient country by only taxing people. Other countries are giving incentives on the cost of production, electricity and easier ways of doing business. We will be wrong if we discourage new investors from coming to invest in this country due to taxation. We need to go back and understand that pharmaceutical products, agricultural products and equipment need to be checked well.

We should not call a dog a cat. If this Bill is punitive, let it be taken back to the public who demonstrated yesterday. The people who are still asking for answers. Why are you saying you have deleted some clauses and you are not giving them an opportunity to see?

Since we live in this country, we should be aware that we have pushed Kenyans into a corner. *Mama mboga* and every Kenyan is complaining. We are begging our colleagues to reject the Finance Bill 2024. The people of Kajiado South Constituency, whom I represent, might also be called villagers. I am also a boy from the village.

On behalf of the people of Kajiado South Constituency, I do not support this Bill. Also, for the sake of the Gen Z, I do not support this Bill. I donate my one minute to Hon. Wanjala. Thank you.

(Laughter)

Hon. Speaker: Order! Under what Standing Order are you donating?

(Laughter)

Hon. Kimani Ichung'wah.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Thank you, Hon. Speaker. I rise to support this Bill and the Committee's Report, together with all its amendments. I take this opportunity to thank the Departmental Committee on Finance and National Planning for the great work they did, especially for listening to the people of Kenya. As I said yesterday, this Committee listened to the people of Kenya. If you go through the compendium of amendments that this Committee has proposed, you will realise that yesterday, they listened to Kenyans on the proposed VAT on bread, *boda boda* sector, Eco Levy on diapers, sanitary towels and other things that Kenyans said are harmful or detrimental to their wellbeing in terms of the cost of living.

I want to take this opportunity to point out a few things to Kenyans. This is because I know all these Members are being bombarded with messages asking them to reject this Finance Bill. Yesterday, it became clear and apparent that some measures were taken after having listened to Kenyans. A good number of them started saying Members should not edit this Bill but reject it. We do not edit Bills but rather, we propose amendments and adopt them. The consequential Bill which is passed in the Committee of the whole House is what becomes the Act of Parliament. Therefore, we have that as the new operative law of the Finance Act, 2024.

I plead with Kenyans to be patient and allow us to do what they charged us to do as their elected representatives. Many Members have suffered a lot of harassment.

This morning, I was asking the Leader of the Minority Party whether he has suffered and he told me he switched off his phone. Many Members cannot be reached on their phones, including WhatsApp, because they have switched them off. This is the beauty of democracy whereby Kenyans express themselves and we respond to what they are saying. That is why many of the proposed amendments in the Committees Report touch on the issues to do with bread, *boda boda* and sanitary towels. This morning, I heard somebody asking whether we have the capacity to manufacture adequate sanitary towels and diapers in this country.

I want to confirm that we have more than adequate capacity. If you get data from the Kenya Association of Manufacturers (KAM), we are surpassing the daily demand of sanitary towels. As I mentioned, I am a father of girls. Two of them are in their teenage years, one is 17 years old and the other is 14 years old. Someone was showing me a very derogatory message sent to him, asking whether his wife does not use...

Looking at the data from KAM, it is clear that, out of four established companies that manufacture sanitary pads, we have Inter-consumer Products Limited, Pro-Med Limited, African Cloth Limited, Sai Pharmaceuticals Limited and a fifth upcoming one, Sunda Kenya Industrial Company. Their production output is 148 million pieces a month while our local demand is 135 million pieces a month. When the eco levy was introduced on sanitary pads and diapers, Kenyans spoke to the Departmental Committee on Finance and National Planning and said the products would become expensive. The Committee has responded by imposing both the VAT and eco levy on finished imported products, including imported sanitary pads and diapers. Those products come from other countries and we cannot ascertain their safety, hygiene and if they meet the required health standards.

It is important for us to be responsible citizens and protect our teenage girls, mothers, sisters and wives by ensuring that the sanitary pads they use are safe, secure and hygienic. It is also fair to protect our growing manufacturing industry. When KAM presented their memoranda to the Departmental Committee on Finance and National Planning, they truly pleaded with them to protect our local manufacturing industry. We are imposing excise duty, eco levy and VAT on imported finished products in order to protect our manufacturing industry and ensure that jobs are created for thousands of our youth. Today, they are being misled that the only thing Hon. Members can do is to reject the Finance Bill 2024, instead of fixing it. This Bill had 65 clauses at its inception. I have listened to Kenyans and engaged a number of them...

Hon. Babu Owino (Embakasi East, ODM): On a point of order, Hon. Speaker.

Hon. Speaker: Order, Leader of the Majority Party. Under which Standing Order?

Hon. Babu Owino (Embakasi East, ODM): Standing Order 83.

Hon. Speaker: Pardon! Under which Standing Order?

Hon. Babu Owino (Embakasi East, ODM): According to the oxygen principle, procedural technicalities...

Hon. Speaker: Order, Hon. Babu Owino. If you are on a point of order, tell me which Standing Order is being infringed and I will allow you. Did you say Standing Order 83?

(Hon. Babu Owino consulted loudly)

You are out of order. The Leader of the Majority Party, go on.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Thank you, Hon. Speaker...

(Hon. Babu Owino stood up in his place)

Hon. Speaker: Order, Babu Owino. You should know what you want to say, my son. You stood up and said Standing Order 83, which does not apply. Someone whispered to you Standing Order 91 and then you said it. Go on, the Leader of the Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): What is so wrong with us protecting our manufacturing sector in this country and ensuring that we create jobs within our own economy instead of other countries? By saying that we should not levy excise duty on imported finished products such as fully assembled motorcycles, we are creating and exporting jobs out of this country to other economies. I want to speak to the young people, who went to the streets and were mobilised from our colleges and universities, to send Members messages to reject the Finance Bill, 2024. This Bill is about protecting you as our children, creating jobs and ensuring that the future of our economy is secure.

We will only secure the economy for future generations if we ensure that we nurture the growing manufacturing sector *vis-à-vis* exporting jobs to other countries. Every year that we pass a Finance Act in this House, it has three-fold objectives. The top amongst them, other than revenue collection, is to ensure that we create jobs within our economy for us to expand our tax base. Some of us feel over-burdened, especially the working class for paying taxes, while other Kenyans who do not pay are depending on us. We want to create jobs and more income earners who will pay taxes so that we can share the tax burden evenly and fairly. Some of the prime objectives of this Finance Act of 2024 is to raise revenue, protect our manufacturing sector, create jobs, and deliver services to Kenyans. Yesterday, the President said that the conversation in this country has changed. We are no longer debating in this House...

Hon. Babu Owino (Embakasi East, ODM): On a point of order, Hon. Speaker.

Hon. Speaker: Yes, Hon. Babu Owino.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Speaker, I find these interjections unnecessary. Hon. Babu Owino thinks we are outside the Central Police Station.

Hon. Speaker: Order, leader of the Majority Party! Hon. Babu Owino.

Hon. Babu Owino (Embakasi East, ODM): Thank you so much, Hon. Speaker. We cannot sit here...

Hon. Speaker: What Standing Order are you on?

Hon. Babu Owino (Embakasi East, ODM): Standing Order 91.

Hon. Speaker, why is it that it is only my Standing Order that you are confirming? The rest you are giving...

(Laughter)

Hon. Speaker: Hon. Babo Owino, everybody has been subjected to the same treatment.

Hon. Babu Owino (Embakasi East, ODM): What I want to say is very important and urgent.

Hon. Speaker: Yes, what is out of order?

Hon. Babu Owino (Embakasi East, ODM): Thank you, Hon. Speaker. I have heard the submissions that have been made by Hon. Ichung'wah. At first, I thought that they were important and detailed. However, I have just realised that the important parts are not detailed and the detailed parts are not important. He is talking about manufacturing. I want to educate Hon. Ichung'wah...

Hon. Speaker: What is out of order? You are now pursuing a contrary argument.

Hon. Babu Owino (Embakasi East, ODM): That is where I am coming to, Hon. Speaker. On matters economics, Hon. Ichung'wah is claiming that if we increase taxes for imports...

(An Hon. Member spoke off the record)

That is what he is saying. That, if we increase taxes for imported goods, then we will give local industries an opportunity to grow. Literally, that is normally true. However, in our situation as a country, we are going to promote what we call “foreign absorption” where money is going to leak from...

Hon. Speaker: Order, Hon. Babu Owino. Take your seat. You are pursuing a very healthy argument, but it is very far from a point of order. When you will be given an opportunity, pursue that argument and convince your colleagues. When you stand on a point of order, ordinarily, you start this way:

“Hon. Speaker, is it in order for the Member on the Floor to say this-and-that when in fact, the facts are this-and-that or contrary to this Standing Order?” You have shot up on my permission, and you are pursuing a very healthy argument on the Bill that has no relationship with what the Member on the Floor was saying. That is your argument and that is his argument.

Hon. Kimani Ichung’wah (Kikuyu, UDA): Thank you, Hon. Speaker for that guidance and protection.

I was saying that many of the amendments that have been proposed by the Finance Committee, in a big way, cure the numerous concerns that Kenyans had over this Finance Bill. That is why, therefore, I want to plead with this honourable House to do what is right. I know there are Members who are tempted to do what is popular. It is very popular to join street demonstrations to be seen as a hero. It is popular to rescue people from police stations when they are arrested for whatever reasons on the streets. However, as a leader – and we are here as leaders – you must do what is right. When this administration came to power about two years ago, our fiscal deficit as a percentage to the GDP was at 6.7 per cent. We were projected to borrow Ksh1.1 trillion in the first year of this administration. Today, with a Budget that this House adopted two or three weeks ago, that has gone down from 6.7 per cent to 3.4 per cent on account of sound economic policies. It is on account of doing what is right rather than what is popular.

I know many of these Members have been intimidated around the country. They have been told: “*Mtaturata 2027*” or “You will meet us in 2027.” I want to give them the highest assurance. What the people of Kenya will judge us on is whether or not we have delivered on the promises and the pledges we made to them. It shall not be possible to deliver services, build roads and schools without generating revenue for the country. We cannot be a country that lives on debt. I will beg for additional time because of the interjections.

Two years ago, we were not just surviving on borrowed money, but we were on the verge of defaulting our international and domestic debt obligations. From the end of last year, it became clear - not just to us within the country, but to the world at large - that Kenya was not about to default on its debt obligations. That is why today – unlike two years ago when the price of unga was at a high of Ksh260 – the price of unga is at a low of Ksh100 courtesy of good economic policies and not what is populist...

Hon. Speaker: Give him two minutes to wind up.

Hon. Kimani Ichung’wah (Kikuyu, UDA): I have 15...

Hon. Speaker: Pardon.

Hon. Kimani Ichung’wah (Kikuyu, UDA): I had 15 minutes, but it had been timed at 10 minutes. Yet, the interjections...

Hon. Speaker: Give him an additional three minutes.

Hon. Gathoni Wamuchomba (Githunguri, UDA): On a point of order, Hon. Speaker.

Hon. Speaker: Hold the time. Yes, Hon. Wamuchomba. What is your point of order and under what standing order? Give her the microphone. There is one next to you.

Hon. Gathoni Wamuchomba (Githunguri, UDA): Thank you, Mr. Speaker. I rise under Standing Order 90 as a Member who has pecuniary interests on matters of sanitary towels as a user. Do I qualify?

Hon. Speaker: Can you repeat?

Hon. Gathoni Wamuchomba (Githunguri, UDA): I am rising on Standing Order No. 90 as a Member who wishes to speak on this matter of sanitary towels as a user.

Hon. Speaker: That is yourself?

Hon. Gathoni Wamuchomba (Githunguri, UDA): Yes.

Hon. Speaker: You are out of order. Take your seat.

(Laughter)

If you heard Hon. Otiende Amollo in the morning – although he did the right thing wrongly – when you challenge somebody...

(Hon. Wamuchomba remained upstanding)

Take your seat. Under Standing Order 91, you challenge a Member who is on the Floor that has pecuniary interest. It is not on the basis of your own pecuniary interests.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Thank you, Hon. Speaker. I was saying, when you speak about the cost of living two years ago, the price of unga was at a high of Ksh260. Today, the price of unga is at a low of about Ksh100. A year ago, the exchange rate of the Kenyan shilling to the dollar was at a high of Ksh162. Today, it is at a low of Ksh128 and still going down courtesy of good economic policies and pursuing what is right rather than what is popular.

In the past, we suffered what was described as “state capture.” This Bill addresses the question of state capture in a big way. There are companies in this country that have survived largely on what is called “tax expenditure” and manipulating the system around tax expenditure, especially around the question of VAT refunds. This Bill is addressing the loopholes that bedevil our country, and that are used by people who are well-connected to beat the tax system and exploit tax refunds to make bigger profits for their companies. Speaking of state capture, we built an SGR infrastructure over 10 years ago...

Hon. Speaker: You have one minute to wind up.

Hon. Kimani Ichung'wah (Kikuyu, UDA): You will be shocked that today, we still have people who are claiming tax deductions around buildings that were done with the Standard Gauge Railway (SGR). From 1st July, this Bill will end those deductions courtesy of the SGR. I know there are people who have mobilised because they have been benefiting from the system. They are hiding behind the civil society by funding them. The civil society is mobilising negative propaganda against this Bill. I want to implore our Members to do what is right. Do what is good for the economy, your generation and future generations. Do what will secure our nation's economy.

Hon. Speaker: Your time is up. Next is Hon. Nabii Nabwera.

Hon. Nabii Nabwera (Lugari, ODM): Thank you, Hon. Speaker. I want to raise several issues.

Hon. Speaker: Yes, Hon. Millie Odhiambo, what is the problem?

(Hon. Millie Odhiambo-Mabona spoke off the record)

The women are also here.

(Several Hon. Members spoke off the record)

I can see them.

(Hon. Millie Odhiambo-Mabona spoke off the record)

(Laughter)

Hon. Nabii Nabwera (Lugari, ODM): Hon. Speaker...

Hon. Kimani Ichung'wah (Kikuyu, UDA): On a point of order, Hon. Speaker.

Hon. Speaker: Order, Hon. Nabii. Hon. Ichung'wah, what is your point of order?

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Speaker, because Hon. Millie was not on record, you may not have heard what she has said. She has said she wanted to speak as a former user of sanitary items. I do not understand whether she meant sanitary towels or diapers. Maybe, she can clarify.

(Loud consultations)

(Hon. Millie Odhiambo-Mabona spoke off the record)

Hon. Junet Mohamed (Suna East, ODM): On a point of order, Hon. Speaker.

Hon. Speaker: Order. Hon. Junet, what is out of order? Kindly hold Hon. Nabii's time.

Hon. Junet Mohamed (Suna East, ODM): Hon. Speaker, you have clearly heard what the Hon. Leader of the Majority Party has said. He is asking, under what category of women does Hon. Millie Odhiambo fall? This is because she is claiming that she is a former user of sanitary pads which we are discussing in the Finance Bill. We want to reduce the taxes. Is she going to benefit from that? Is she opposing or supporting?

(Hon. Millie Odhiambo-Mabona spoke off the record)

Hon. Speaker: Order, Hon. Millie. We do not need rocket science to understand what you said. I understood you clearly and we do not want to engage in debate.

Proceed, Hon. Nabii Nabwera.

Hon. Nabii Nabwera (Lugari, ODM): Thank you, Hon. Speaker. Today, I have had a lot of time to reflect on whether we want to move this country forward or we want to be stagnant or repugnant. Like any progressive country or system, we should have started by looking at our 2023/2024 Finance Act and asked ourselves whether it has served us well.

Secondly, we intended to collect a certain amount of money. Did it help us collect that money? Thirdly, what has been the business performance for the period 2023/2024? Finally, we should ask ourselves: Has the current Finance Act helped us to mobilize savings? What is our country's saving ratio? As I look at that and evaluate the 2023/2024 Finance Act, I return a performance ratio of 44 per cent. With that kind of performance ratio, you cannot come up with a Bill to repeal that Act which increases the taxes to the public because you have failed to collect over Ksh300 billion.

Whereas the Chairman of the Departmental Committee on Finance and National Planning presented to us a Report which looked progressive, unfortunately, it fell short of curing the problems in this Bill. What are the problems in this Bill? If you look at Schedules 3 and 4, you return a "no acceptance" to this Bill. The 10 per cent duty on clinker is only improving the status of one business person. Removing the duty on billet also improves the

status of the same person. You cannot create a law that only ensures that one particular individual or entity of business thrives at the expense of others.

Whereas one would want to forgive the drafters of this Bill for imagining that if you removed taxes on locally manufactured sanitary towels, they would have cured the problem. I have talked to my daughters in the house. They tell me that the sanitary towels they use are all imported. In other words, when you see young girls going to the streets and asking us, ‘Wasinyeshe’ – and they are wondering whether they should not have their monthly periods - they mean it is because you are making their life unbearable.

I want to pick on an issue here based on Schedule 4. If you look at all the taxes under this Schedule, like telephone, they are meant to help improve businesses. If we are imposing taxes on them and yet the business community is under-performing, how do we intend to raise money? If this country cannot mobilise savings, then we would rather shut up and close it. With all due respect, I am asking the drafters of this Bill, particularly the Chairman, if he wanted to help the country through all the fundamental changes he has made, then the Bill loses its original form. He should have withdrawn the Bill and given us another one.

Hon. Speaker, I oppose.

Hon. Speaker: Next is Hon. Dorothy Ikiara.

Hon. Dorothy Muthoni (Nominated, UDA): Thank you, Hon. Speaker. At the outset, I support this Bill. I was seated in the House and participated actively in passing the Budget and Appropriation Bill when it was presented before us. We came up with a lot of issues because we made many pledges to Kenyans when we were elected. Each and every Hon. Member of this House made pledges. We know what that means. We promised the electorate good roads, medicine in hospitals and proper education for their children. This informs us of where the country is today.

Since Kenya faces both a fiscal and a budget deficit, the Finance Bill serves as a key legislative tool for the Government. It combines revenue enhancing measures with expenditure rationalisation as a strategy to manage and reduce those deficits. For the first time, a Finance Bill is similar to the medium-term review. This offers better planning and consistency for our country. This Finance Bill is people-centred. I personally participated when the Departmental Committee on Finance and National Planning, led by the very able Chairman, Hon. Kuria Kimani, went around seeking public views on the proposed Budget. It is for this reason that after they listened to the citizens of this country, they came up with a number of changes that are all in favour of the citizens. Aside from the key highlights, which the Departmental Committee on Finance and National Planning addressed, some of the initial proposals have now been dropped. Key among them is the 16 per cent VAT on bread. They listened to the members of the public and it is not there anymore. VAT on transportation of bulky things like sugar-cane – they listened to the citizens and it was removed. There is no increase in the mobile money transfer.

Yesterday, as I was passing through one of the streets in Nairobi, I heard people shouting. Citizens of this country were severely misled that mobile money transfer charges will not be removed. The Committee listened to the citizens and this is one of the things that was removed. Excise duty on edible oil is no longer there. As the Leader of the Majority Party has alluded to, what this Bill has tried to do is to promote the local manufacturers. It is very clear that moving forward, the local manufacturers like the locally assembled bikes would be assembled duty-free, as opposed to the imported ones.

We also have another very good advantage that the eTIMS has been excluded from farmers and small businesses who have a turnover below Ksh1 million. This is a clear manifestation that this Government is a bottom-up Government as we had promised the electorate.

I also want to unveil the key achievement in this Bill, especially for the employed Kenyans, where the taxable pension has been extended from being taxed from Ksh20,000 to Ksh30,000. This is an achievement for our workers and the salaried people. Out of what this Bill has addressed and very importantly, we are at a time when our country is struggling with cancer. This time round, the Finance Bill has reduced the cost of cancer drugs and exempted them from VAT. This initiative is to alleviate financial pressure on patients and enhance access to cancer medicine. We are doing this when the country is struggling with increased cancer cases. I want to pinpoint a place like Meru County where cancer is on the rise. This Bill, having made cancer medicine VAT-free, is a great achievement for cancer patients in this country.

We also want to underscore the achievement of the employment of teachers. The education sector has been given a very huge budget and out of this, and we are proud that all the teachers who are employed as interns, 46,000 of them, will be turned into permanent and pensionable to bridge the gap in our education sector. We know too well that investment in human capital is the single investment that every progressive country must make. Education is key in ensuring that we become globally competitive amongst our equals. Employment of the 46,000 teachers coupled with the 56,000 teachers who were employed last year, makes it the greatest achievement that this Kenya Kwanza Government has achieved in ensuring that in two years, we have employed 102,000 permanent and pensionable teachers. On top of that, there is another cohort of the 20,000 who will equally be employed on internship.

This is an achievement that we must all laud and welcome because our youths, whom we promised jobs during campaigns, are getting jobs and being absorbed in various areas.

This Finance Bill includes provisions to support individuals with chronic diseases. The emergency kitty established in the Social Health Insurance Fund (SHIF), the Chronic and Critical Units Fund, under the new Social Health Insurance, will cover treatment. It is evident that a majority of people who suffer from chronic diseases, go through a very difficult moment. This Bill has been able to cure this.

Therefore, I strongly support this Finance Bill. Thank you.

Hon. Speaker: Thank you, Hon. Dorothy. Hon. Millie Odhiambo.

Hon. Millie Odhiambo-Mabona (Suba North, ODM): Thank you, Hon. Speaker, for giving me this opportunity.

One of my favourite books is *Good Girls Never Get the Corner Office*. This is in response to what you told me earlier in the morning when you urged me to be a good example to the girls – the younger ones who are doing their first term. If they are good girls, they will never get corner offices. Be as bad as Hon. Millie Odhiambo, and you will be the mother of this House. I am a bad girl and as one, I am here serving my fourth term. So, do not be cheated like in the African culture where you are told to have decorum, dress nicely, and be kind and nice. You will go nowhere. Be a bad girl like me and you will get somewhere.

I wish to declare my interests under Standing Order 90, which Hon. Wamuchomba stood on, because I do not want to be declared disorderly. When you have a pecuniary or personal interest, you declare it. I want to declare my interest as a former user of sanitary towels and as a dynasty. Also, as a former user of diapers and as a future user of diapers. As a woman, once you get menopausal, you will have leaks and you will use diapers. I want to say it is not all women. So, Hon. Rozaah should not be worried, but some women get leaks. We do not want to have shame over menopausal issues or periods.

I am saying this because I have been sitting here today listening patiently to the men talking about sanitary towels which are in the Finance Bill, and were doing so with authority. If we wanted to save money the way the Departmental Committee on Finance and National Planning has done and want to tax anything else, go and tax men's innerwear. Do not speak on our issues as women. Let us be the ones to speak about sanitary towels. We are the ones who know what it is for us. You are saying you want to encourage local manufacturing. While you

are waiting to enable our local manufacturing agencies to create those sanitary towels, will we tell our periods to stop? Our periods will not stop while you are manufacturing. Our girls will have their menses as usual and the cost that they are used to will be higher because it will come through underground. What I am saying is this: I do not support the Finance Bill. I will give you the reasons why I do not support it.

I do not support it because it is devoid of a strong policy underpinning. Secondly, I do not support it because it is not premised on a better model, but on a bitter model. The Kenya Kwanza Government told us that their things are premised on Bottom-up Economic Transformation Agenda (BETA), but increasingly, we are seeing it premised on a bitter model. And that is why I will not support it.

I will also not support it because it encourages opulence: “Look at how much money I have”; “Look at the price of my watch”; “I have a Ksh5 million watch”. I will explain the reason, Hon. Speaker. Do not be in a hurry to ask me to explain because I am going to do so. I first talked about a tax system that is devoid of a strong policy underpinning or premised on a flawed policy underpinning. I will give you the example of the eco levy that seeks to strike a balance between the economy and ecology, but it fails miserably to do that.

This Government has sponsored or facilitated roads in Mfangano Island and the tarmac in Rusinga Island, even though they are taking pretty long. If you use the taxation model that they are proposing, then it means that if a contractor, who is doing those roads and earning billions, destroys the environment, the fisherman from Remba, Ringiti, Rusinga, Mfangano and Sukuru Islands, who makes at most Ksh1,000, will be asked to repair that person's damage through tax, forgetting the Public Private Partnership (PPP) principle. The PPP principle provides that the person who destroys the environment is the one who should pay the damage, and not me or the *omona* fisherman who is making Ksh1,000. They earn so little and yet you expect them to pay the tax of a person who is earning billions doing that road. I do not support this tax.

The second example I am going to give is on the issue of smartphones. I thank Hon. Rachael Nyamai for mentioning that when she talked to one of the ladies she is sponsoring her education, she told her that she is doing *TikTok*. We do not seem to understand how that relates to this tax. I will now tell her how it relates to this tax. After this, Hon. Rachael Nyamai, myself and others will be on *TikTok*, and the girls will be making money on *TikTok* while imitating us. Under this proposal, we are telling them we are taxing you for the use of *TikTok* and yet, they are doing that because there are no jobs. They have become innovative and looked for their own jobs. After they have their own jobs and industry that has not solidified like teaching or law, we want to kill the same industry that is helping the young people. That is why ‘Gen Zs’ were on the streets.

I was so thrilled when I was shown a photo of a young girl who looks like me, and some people were saying: “Hon. Millie, we can see you are here. You can now retire.” I wish she was from my constituency because I would have retired tomorrow. Yesterday, I was with my niece who I have raised in my house since she was in primary school. I tried all means to divert her attention from what was going on, but she still managed to sneak out. This morning, she told me... Before I get to what she was telling me, I asked her: “Can I give you a lift to town? She told me, “No auntie. I cannot be associated with Members of Parliament. Your generation has messed this country and we have to fix it as Gen Z”.

As a country, if we do not take Super Tuesday as a wake-up call, then I do not know what else we will take as a wake-up call. I want to tell the President, who I served with in the same Committee in Parliament and was my classmate at the university, to fire those guys who are giving him economic advice. They are not helping you at all. How do you even imagine taxing something like bread, even if it is a joke? You have carried that joke too far. You can crack those jokes elsewhere. You can find a situation where the young people have burnt the

country based on your joke. Please try those jokes elsewhere because Kenyans are suffering and tired of being taxed.

If we cannot listen to Kenyans who are tired of being taxed, then we have no business being in this House. We must listen to Kenyans. I must say that you have done well in trying to deal with some of those issues, but there are very many that are still here. We have a very short time, and I may not mention all of them, but for instance, the eco levy. We are talking about trying to be environmentally friendly and yet, we are not doing exactly that by the things that we are taxing. We are taking away jobs from young people by the tax. Look at the increase in fuel; we are removing the tax with the right hand and adding with the left one.

I had a lot to say about this, but I can see that my time is almost up. From my side, they want to add me more minutes but, because of time, I may not speak. I just want to urge the President to fire the guys around him and listen to Kenyans. I was speaking to some of my colleagues here, and thank goodness, I have been here for a long time. Hon. Speaker, if you could humour me by just giving me one more minute, I will conclude.

Hon. Speaker: Conclude.

Hon. Millie Odhiambo-Mabona (Suba North, ODM): Thank you, I appreciate. I was speaking to some of my colleagues here, and I will not mention their names. About three weeks ago, and they know this because I talked to them yesterday, I was telling them that their ground is getting terrible. They told...

Hon. Speaker: Time is up. Hon. Pukose Robert. Your time is up, Hon. Millie. Take your seat.

(Hon. Raphael Wanjala consulted loudly)

Order, Hon. Wanjala.

Hon. (Dr) Robert Pukose (Endebess, UDA): Hon. Speaker, I rise pursuant to Standing Order 97(3) as read together with Standing Order 97(1). Hon. Bowen had stated that this being a very important Bill, Kenyans are watching and want to hear what their Members of Parliament are saying about it and whether they listened to the issues they raised about the Bill. Will I be in order to ask that we reduce the time to five minutes per speaker? We are 349 Members and if each one of us was to take ten minutes, it would take us up to three months to all contribute. Surely, we should be fair so that everybody can contribute to this Bill.

I have been here since morning, and I am yet to contribute.

Hon. Members: Yes.

Hon. (Dr) Robert Pukose (Endebess, UDA): We should start with me having five minutes.

Hon. Speaker: Order, Hon. Members. Earlier on in the morning, the Member for Marakwet East, Hon. Kangogo Bowen, raised the same issue. It is now popping up again. Are we comfortable with ten minutes or we reduce to five minutes?

(Loud consultations)

Order. Yes, Hon. Raphael Wanjala. I see you raising...

Hon. Raphael Wanjala (Budalangi, ODM): Five minutes.

Hon. Speaker: You want five minutes. Order. Hon. Otiende Amollo.

Hon. ((Dr) Otiende Amollo (Rarieda, ODM): I support five minutes.

Hon. Speaker: You support five minutes. Order.

*(Question, that speaking time
be reduced to five minutes, put and agreed to)*

Okay. Hon Pukose. Order, Hon. Members. It is only fair and just because my screen is bursting with requests. So, five minutes it is. My teacher used to tell me that if you cannot make your point in two minutes, then you are unlikely to make it in 30 minutes.

Hon. (Dr) Robert Pukose (Endebess, UDA): Thank you, Hon. Speaker. I stand to support this Bill, but with amendments. The electorate have complained about VAT on bread and the 2.5 per cent motor vehicle tax. We have listened because we want to create jobs for our people. I thank the Committee for that. I also wish to inform the public that the Committee is made up of Members from both Majority and Minority sides. This Bill did not originate from Parliament. It was done by the Executive and then sent to the House for approval. Members of Parliament have listened to what the people wanted to be amended. Therefore, we will pass it with those amendments. That is the essence of public participation. This Bill was subjected to public participation and, therefore members of the public should not say that we reject it.

This Bill is important because it seeks to raise part of the revenue to finance the services that the public require from the Government. We have raised the county allocation to Ksh400 billion. This Bill will raise Ksh346 billion. That will be added to what is collected in taxes to make it Ksh400 billion. This will ensure that counties have money to offer services. It will also meet the budget deficit from Government revenue. The Bill focuses on what the Government continues to collect. We need the public to understand that the Finance Bill supports what the budget requires for the Government to deliver. Therefore, we cannot reject it in totality. Instead, you can suggest amendments to the Bill. We ask Kenyans who have amendments to approach their Members of Parliament. Members still have time to propose amendments. Telling Members to reject the Bill should not arise, but we should propose amendments. I hope that our counterparts from the Minority side will support those amendments so that we can deliver and make sure that we listen to what Kenyans demand of us.

Hon. Speaker, with those few remarks, I support, but with amendments.

Hon. Speaker: Hon. Members, before I call on the next speaker, allow me to go back to Order No. 5. This is to allow the Chairman, Departmental Committee on Justice and Legal Affairs, to table a very important paper, in furtherance to one of the National Dialogue Committee (NADCO) Bills.

Hon. Murugara.

(Hon. Josses Lelmengit sat on Hon. George Murugara's seat)

Hon. George Murugara (Tharaka, UDA): Thank you very much, Hon. Speaker. My young son here must be advised that he should not sit on his father's seat.

PAPER

Hon. Speaker, I beg to lay the following Paper on the Table:

Report of the Departmental Committee on Justice and Legal Affairs on its consideration of the Senate amendments to the Independent Electoral and Boundaries Commission (Amendment) Bill, (National Assembly Bill No. 10 of 2024).

Thank you very much, Hon. Speaker.

Hon. Speaker: Thank you. We now go back to the debate on the Finance Bill, 2024.
Hon. Makali Mulu.

Hon. (Dr) Makali Mulu (Kitui Central, WDM): Thank you very much, Hon. Speaker. I can confirm that I have taken time to read through the Bill and the 389-page Report. The idea of giving us five minutes is good. However, it discourages some of us who take time to read these reports. I have read through the Report and noted that many individuals and institutions

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presented their comments to the Departmental Committee on Finance and National Planning. I appreciate them. I thought they would not appear before the Committee this time. This is because, based on the experience last year, the same number of individuals and institutions gave comments, but were never taken on board. So, we must appreciate them.

I also thank the Committee for creating time to listen to them and make some efforts to factor in their comments. I have gone through the original Bill, but I cannot understand the thinking behind some of the proposals. I also thank the Committee because they have managed to undo some of them. But because I do not have a lot of time, I will focus on what the Report says. From where I stand, things have been made worse instead of better.

I will start with the proposal to increase the Import Declaration Fee (IDF). The presentation by edible oil companies, the Kenya Association of Manufacturers (KAM) and the Kenya National Chamber of Commerce and Industry (KNCCI) proposed that the IDF be maintained. This is because increasing that fee will lead to an increase in the cost of production. Most of our factories and industries depend on imported inputs to produce their outputs. Therefore, the solution was to maintain the fee so that the cost of production does not increase. What does the Committee propose? The Committee has proposed to increase that fee from 2.5 per cent to 3.5 per cent. That automatically means that the cost of inputs that are imported into the country will increase. As a result, the cost of production will also increase. Further, the increase in that cost is transferred to the consumer. That will make our goods uncompetitive in terms of prices. That is why, despite us talking about import protection in the country, people buy imported goods at a cheaper price than those that are produced locally. Those are very critical issues.

The second item is the Railway Development Levy. It is now at 1.5 per cent. The edible oil companies proposed that we maintain it. By doing that, we would have saved the cost of oil by about Ksh72 per litre. The proposal of the Committee is that the levy be increased from 1.5 per cent to 2.5 per cent. What does that mean? We are likely to increase the cost of production because that levy will be applied on all imported goods and any goods that are passing through our railway transport system. Again, instead of helping the manufacturing sector, we are making it worse.

To make things worse, the last clause of the Report is a new one to increase Fuel Maintenance Levy by Ksh7. Any time you touch fuel in this country, you touch the whole economy. By doing that, you increase the cost of production, which will directly affect Wanjikus and Mwendes of this country. I am sure that the proposed amendments will make this Bill worse. It is a very good 'candidate' for being voted against.

Hon. Speaker, with those remarks, I submit.

Hon. Speaker: Your time is up. Hon. Kangogo Bowen.

Hon. Kangogo Bowen (Marakwet East, UDA): Thank you, Hon. Speaker. I stand to support the Finance Bill, 2024.

This morning, my good friend and Leader of the Minority Party- Hon. Opiyo Wandayi - asked why this Finance Bill was so contentious. We have had finance bills since 1963. Finance Bill, 2024 is creating serious issues, including demonstrations in the streets. What people out there have been told by activists and people who have not read the Bill is completely misleading. I know there were some contentious clauses in this Bill. The Chairman of the Departmental Committee on Finance and National Planning moved it this morning. The Committee looked at the revenue raising measures that were proposed by the National Treasury and proposed several amendments which are people-friendly.

In the original Bill, there was 16 per cent Value Added Tax (VAT) on bread. According to the Committee's Report in the House, this proposal has been withdrawn. The proposal to have 2.5 per cent motor vehicle tax has also been withdrawn. The excise duty which was proposed in the original Bill on vegetable oil has also been withdrawn. The Eco Levy which

many of our colleagues discussed here will only be imposed on imported finished products. We want to move from a trading country to a manufacturing economy. We cannot be a country which imports almost everything, including tissue paper. The levy will only be imposed on imported finished products, but not on locally manufactured products like tissue papers and sanitary towels.

Some months back, many of our farmers in Murang'a, Central Kenya and across the country were required to file their sales using Electronic Tax Invoice Management System (eTIMS). There are avocado farmers who were told to give KRA eTIMS. Under this Finance Bill, the eTIMS has been withdrawn. Any other small business with a turnover of Ksh1 million and below will not be required to use eTIMS.

The Cabinet Secretary for the National Treasury and Economic Planning read the national Budget for the Financial Year 2024/2025 before this House. He proposed increment of monies to the counties to a tune of almost Ksh400 billion. There is an increase in the National Government Constituencies Development Fund (NG-CDF). There is also an increase of about Ksh50 million per constituency for electricity. We can only achieve those things if we pass the Finance Bill.

All of us support taxation. The Finance Bill proposes to increase taxation on cigarettes and other tobacco products, alcohol and betting - gaming or gambling. We have many youths who are lost because of betting. The proposal to increase tax will ensure that we control our young people in that space and direct them to a good course in this country. There is also the issue of alcohol. Many young people drink and are lost because of cheap alcohol. The increment of the tax will address this issue.

Hon. Speaker: Your time is up. Hon. Otiende Amollo. Give him the microphone.

Hon. (Dr) Otiende Amollo (Rarieda, ODM): Thank you, Hon. Speaker. At the outset, I oppose this Bill. I have listened to the Chairman on the raft of proposed amendments, which is too little too late.

First of all, I have recorded 120 reasons for the rejection of this Bill. It is sufficient that the professional associations, the church, civil society and Kenyans have spoken to this. There are legal, financial, economic and humanitarian reasons for rejecting this Bill. More fundamentally, it is a moral question.

This regime has lost the capacity for shame. It does not regard Kenyans. I was tempted to attack some entities like the church and some ambassadors because they are the ones at the forefront of supporting this regime. However, I will forgive them and tell them that it is good they have realised the error of their ways. This regime needs to understand the etymology of governance. The whole idea of governance is that the people voluntarily relinquish some of their rights and liberties for the Government to protect them. In this case, we have a Government that does not want to protect its citizens but, rather, decimate them. We must reject this idea.

It is important to understand that a budget is made for the people. Traditionally, it is the people who must be listened to. We have a draft Bill whose origins are essentially the Bretton Woods Institutions - the IMF and, secondarily, the World Bank. They were not made to further the interests of developing countries. They were established in 1944 to essentially protect the war-ravaged countries which were all the developed countries. When they come and give us prescriptions, they must be taken with a pinch of salt. In the 1980s and 1990s, they gave us the Structural Adjustment Programmes (SAPs). It is only when Kenya, like other countries, rejected those SAPs that we started going somewhere. Now we are in a situation where the Bretton Woods institutions have come back in full swing in the face of the Executive. This must be rejected.

It is important to understand that this Bill does not protect and is not in the interest of Kenyans. Some people are fear-mongering that if we reject it, we will be in a crisis. We will

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not be in any crisis. When the High Court stayed the Finance Bill 2023 last year, the Finance Bill 2022 continued until it was cleared. The Finance Bill 2023 is already draconian enough, but it is less draconian than this one. Let us reject the Finance Bill 2024. The Finance Bill 2023 will continue to be used. Let us have a bipartisan approach to budget-making process, so that we can sit down and agree on the basic minimum that must be included.

I oppose the Bill. Thank you very much, Hon. Speaker.

Hon. Speaker: Hon. Paul Melly. Sorry, I meant Hon. Julius Melly, Chairman of the Departmental Committee on Education. Give him the microphone.

Hon. Julius Melly (Tinderet, UDA): Thank you, Hon. Speaker. At the outset, I rise to support this Bill which is quite progressive. I ask Members who have opted not to read the Report to do so. As part of the parliamentary procedures, you gave your guidance that every Bill that is tabled in the House procedurally goes to the relevant committee. The Committee, led by Hon. Kimani Kuria, did its work diligently. They met the public, stakeholders and Kenyans who gave their suggestions on this Bill.

Hon. Speaker, as we debate this Bill, we need to know that Hon. Kuria and Members of the Departmental Committee on Finance and National Planning have made a raft of very progressive and important proposals and amendments. In fact, certain issues that are being discussed by Members on this Floor are not part of what the Committee recommended. It recommended several things, among them taxation of a certain nature. Let me just give the example of deleting certain clauses like clause 124 that is on motor vehicle tax. The Bill previously tabled in the House had proposals on taxing motor vehicles, bread and many other things. In its wisdom, having heard Kenyans and stakeholders, the Committee deleted most of those clauses. But Members have opted to address the public and Kenyans as if the Committee has not made its Report in the House. It is not good.

Let me just go down and enumerate why I support this Bill. Clause 23 is on athletes. There was a proposal to tax income by athletes. The Committee went ahead and deleted that and asked that athletes be incentivised and be allowed to give income to this country from the monies they earn.

On eco-tax, many imported items have been taxed to protect local manufacturers. The Kenya Association of Manufacturers and the Kenya Private Sector Alliance have said this all the time. That local manufacturers need to be protected against large well-established companies that can flood our markets. In doing so, we are not exporting jobs. I would just want Members to know that we export jobs to those nations by exporting our money when we buy from foreign countries. That is from last year's Finance Bill. We have stabilised the foreign exchange and brought inflation down.

Looking at Clause 34A(1) and Clause 34B, the Committee proposed to delete taxes on aircraft spare parts and many other things. This is the reason Kenya is a hub in this region. Most countries in the region always maintain and service their aircrafts in this country. Clause 45 up to Clause 48 introduces eco-levy. This is to make sure that imported material from other countries are taxed to safeguard our climate and ensure there is a way to dispose things like phones and tyres. In this same clause, motorcycles, wheelchairs tyres or everything else are exempt since Kenyans at low levels are the ones that use them.

This Bill is very important as we speak. It will serve this country very well. Therefore, I support. Thank you, Hon. Speaker.

Hon. Speaker: Thank you, Hon. Melly. Hon. John Mbadi, we have reduced time to five minutes each. All of you will have an opportunity.

Hon. John Mbadi (Nominated, ODM): Thank you, Hon. Speaker. I want to start by saying that I have never been to State House since President Ruto took over power, and I do not intend to. I have never had a one-on-one meeting with him. This is the only forum I can use to tell him what I think he needs to do. President, I want to tell you that the people you

have hired at State House and the people you have put at the National Treasury as economic advisors are not advisors. They are economic saboteurs. Please look for economic advisors to help you govern this country for the remaining period of three years.

(Applause)

I say so because the idea and perception that is coming across when I hear it a lot even with my colleagues across the aisle is that you need to tax Kenyans more to grow this economy and narrow the budget deficit. Nothing can be further from the truth. Ask your team to compare and give you the data when we passed the Finance Bill of 2023. What effect has it had on revenue collection? Growth in revenue is 13.8 per cent if you compare revenue collection up to 12 months leading to March 2024. Compare that to the same period ending March 2023, whose revenue growth was 14.5 per cent. It is far much higher than revenue growth for this year even in an election year. The reason is simple. You are discouraging tax collection by imposing excessive high taxes which are discouraging business in this country.

I heard the Leader of the Majority Party tell us not to play populism. I want to remind Hon. Kimani Ichung'wah that which you call populism and playing to the gallery is what has made the Kenya Kwanza Government that was just thumping its chest to climb down and accept what Kenyans had started saying earlier and yet, it was not listening. Therefore, we will continue playing populism if that is what is going to make Kenya Kwanza listen to us.

This Government is giving you with the right hand and taking away with the left hand. Why do I say so? We are being lied to as a country that VAT on bread is going to be reduced. Anyway, it was not there in the first place. You are the ones who came up with this crazy idea. This crazy idea was not in our books. This Government came up with the crazy idea. They are now telling us that we should celebrate when we have caught them. It is like someone who is trying to steal your cow at night. You come out and shout when you hear footsteps of the cow. Then he comes back with a cow and tells you that you should celebrate because I have not stolen it. We have caught you. The people of Kenya have caught Kenya Kwanza when they wanted to introduce taxes like motor vehicle tax that do not exist anywhere in the world. This Government will go down as a motor vehicle tax Government.

Look at what the Departmental Committee for Finance and National Planning is trying to do. You come up with a clause of reducing those taxes at the end, on the last paragraph of your Report, after Kenyans have made noise. You are going to introduce a new clause to this Bill called road maintenance levy which was not there. Yet, you are telling us clearly that you have not been able to collect enough levy in this year than the previous year because the price of fuel was high. However, you are proposing to increase it here by Ksh7. I have information that you are going to move it to Ksh9.

We must reject those attempts to increase the price of petroleum products when we come to the Committee of the whole House because that will increase even the price of electricity and, therefore, increasing the cost of production.

Hon. Kuria Kimani (Molo, UDA): On a point of order, Hon. Speaker.

Hon. Speaker: Order, Mbadi. Yes, Chairperson. What is your point of order and under what Standing Order? Give him the microphone.

Hon. Kuria Kimani (Molo, UDA): Hon. Speaker, I stand under Standing Order 91. Is it in order for my very learned colleague and senior in the profession to mislead?

Hon. Speaker: He is not learned! He is educated.

(Laughter)

Hon. Otiende Amollo, you should defend the profession.

Hon. Kuria Kimani (Molo, UDA): Is it in order, Hon. Speaker, for CPA Mbadi who is an experienced accountant and a very experienced lawmaker to say or inform this House that the Report of the Departmental Committee on Finance and National Planning is amending the road maintenance levy to increase fuel prices? He should know better that an increase in the fuel prices is contained under regulations in the Kenya Roads Board Act. Therefore, the introduction or increase of fuel prices cannot be done in a Finance Bill. It is just a matter of simple logic that such an experienced legislator should know.

Hon. Speaker. Yes, Hon. Mbadi. Finish up. Give Hon. Mbadi the microphone.

Hon. John Mbadi (Nominated, ODM): Hon. Speaker, I am shocked that the Chairperson of the Departmental Committee on Finance and Planning does not even understand his Report.

Let us go to page 397 or is it 377? There is the last paragraph, and I want to read it if you allow me. New Clause 66, Road Maintenance Levy. The Committee notes that the Road Maintenance Levy (RML) is charged on all petroleum products... I do not want to read all that. It says: "Additionally, to help raise sufficient funds to maintain and repair roads across the country, the Committee recommends an increase of the levy pursuant to Section 3 of the Road Maintenance Levy Fund Act from Ksh18 to Ksh25 per litre on all petroleum products." What does a new clause mean? You are going to put a new clause. I came to Parliament...

(Loud consultations)

Hon. Speaker: Yes, Hon. Kimani. Order. Nothing personal Hon. Mbadi. You are a senior Member.

Hon. Kuria Kimani (Molo, UDA): Hon. Speaker, this matter was first raised by the Cabinet Secretary for National Treasury and Planning. No! Cabinet Secretary for Roads and Transport.

Hon. Speaker: Order. He has been challenged. Let him...

Hon. Kuria Kimani (Molo, UDA): Hold on. The Committee extensively debated on this matter. It is a fact of law that you cannot bring an amendment to increase fuel through the Kenya Roads Management Act. So, when the Committee will be proposing amendments during the Committee of the whole House, we have already submitted our Report that this cannot be done on this Finance Bill, and that is a fact.

(Loud consultations)

Our friends here, on one hand, are saying they want to discuss the Finance Bill proposals as they are. On the other hand, they are saying they want to discuss the Report. They should also declare whether they want to discuss the Finance Bill with the Report as it is.

Hon. Speaker: Order. Next is Hon. Murumba Chikati. Order!

(Loud consultations)

You have an opportunity to amend this Bill at the Committee of the whole House. So, hold your horses and... Hon. Murumba Chikati. Hon. Mbadi's time is over. Your time is over.

Hon. John Chikati (Tongaren, FORD-K): Thank you, Hon. Speaker. While supporting this Bill, let me also try and look at the needs that are facing our country across the sectors. One of the biggest challenges and why I support this Bill...

Hon. Fatuma Mohammed (Migori County, Independent): On a point of order, Hon. Speaker.

Hon. Speaker: What is out of order, Women Representative from Migori?

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Hon. Fatuma Mohammed (Migori County, Independent): Hon. Speaker...

Hon. Speaker: Under what Standing Order?

Hon. Fatuma Mohammed (Migori County, Independent): You will get it. I am a first timer. I do not know the Standing Orders well. But you need to know that there are women in the House. Hon. Speaker, kindly balance. If you cannot see us, we can walk around. You will be seeing that there are some female figures in the House.

Hon. Speaker: Order! Are you alleging that Hon. Millie Odhiambo is not a woman? Go ahead.

(Laughter)

(Loud consultations)

Hon. John Chikati (Tongaren, FORD-K): Hon. Speaker, thank you. While supporting this Bill, I would like also to examine the needs that are facing our country across different sectors.

One of the biggest challenges that we have is in the education sector. The Junior Secondary School (JSS) was started without proper infrastructure. We have a serious problem of infrastructure and manpower in the JSS. It is my hope that we raise funds through taxation so that we support the JSS which is really struggling to pick up and deliver to where it is supposed to be.

The next area that I would like to look at is the Technical and Vocational Education and Training (TVET) sector. It is critical to the development of our country. But it lacks two things: Equipment and manpower. It is my hope that that some of the funds raised are allocated to deliver the sector as required.

Access to electricity in the rural areas is a problem in Kenya. The last mile connectivity, which was started between 2013 and 2017, stalled along the way. It is my hope that the last mile electricity connectivity in rural areas can spread so that rural Kenya can access electricity just as much as urban centres.

Access to healthcare in Kenya is important and, therefore, part of this Bill proposes to raise money for the Social Health Insurance Fund, which is critical to access health services in our country. Access to health is also important because it translates to the development of our country in general.

Thank you, Hon. Speaker. I support the Bill.

Hon. Speaker: Hon. Chikati, are you finished?

Hon. John Chikati (Tongaren, FORD-K): Yes.

Hon. T.J. Kajwang' (Ruaraka, ODM): On a point of order, Hon. Speaker.

Hon. Speaker: What is your point of order? Sorry! I was consulting with the Chairman?

Hon. T.J. Kajwang' (Ruaraka, ODM): Hon. Speaker, there seem to be a serious level of misrepresentation in the documents that we are looking at. We trusted that the Report which we are comparing the debate on the Bill is accurate, honest and straightforward. It has transpired, by the words of the Chair of the Committee, who has signed the document, that the document did not bear this issue on Road Maintenance Levy Fund (RMLF).

Now, all of us have come here in good faith, and we want to debate this thing in the best of faith as we can. We have even accepted that those issues, although they are going to come in future... In fact, it is like we are anticipating debate. But we have accepted that the Chair of the Committee will do what is honourable, which will be to make those amendments at the Committee of the whole House stage. But with this serious misrepresentation, if we work out the maths, we are talking about billions as arising out of that element of raising Ksh9 on RMLF.

Now, do we still have good faith that we are dealing with a Report which will end up in changing what the people are saying out there? Or are we are debating this Bill and when we come to the Committee of the whole House stage and then we will be faced with different things?

Hon. Speaker: Thank you.

Hon. T.J. Kajwang' (Ruaraka, ODM): Hon. Speaker, please attend to that so that we can have a debate which is correct and forthright in the House.

Hon. Speaker: I hear you. Thank you for the point. Hon. Mishi Mboko.

Hon. Mishi Mboko (Likoni, ODM): Ahsante sana, Mhe. Spika. Kwanza, nawapatia Wakenya kongole kwa kusimama kidete na kuweka kilio cha haki katika Mswada huu wa Fedha. Tunazungumzia Ripoti na Mswada wenyewe. Ripoti inasema wataweka Kifungu 66 waweze kuongeza pesa kwa mafuta kutoka Ksh18 mpaka Ksh25. Tunasisitiza hapa kuwa jambo hilo halitafanyika. Jambo hilo lisiwekwe kwa Kamati ya Jumba nzima sababu iwapo itaongezwa, basi itakua yale yote ambayo yamerekibishwa ni bure. Kwa sababu ukiongeza bei ya mafuta, utakuwa umeongeza gharama ya uchukuzi, gharama ya kutengeza bidhaa, na bei ya kila kitu itapanda.

Jambo la pili, iwapo tunataka kukimu bajeti yetu, haiwezi kuwa njia ni moja tu ya kuweka ushuru kwa Wakenya ambao ni walalahoi na wamefika ukutani. Lazima tubadilishe mbinu, tuwe na mbinu mbadala ya kufufua na kujenga viwanda na kutafuta njia ya kupata mapato kwa taifa letu kupitia rasilimali nyingi tulionazo. Haya mambo ya kuongeza kodi ya mazingira...

Tumezungumzia kwamba sodo na nepi kuwa zinapatikana kwa wingi hapa Kenya. Lakini kwa hivi sasa, akina Mama ambao wanawakilisha kaunti wanasubiri sodo na wanaambiwa ziko China wazingoje zije. Hiyo ni kumaanisha hatuna uwezo thabiti wa kuwa na sodo na, hivyo basi, afya ya akina mama haswa katika mambo ya *health* itakuwa na matatizo iwapo tutaongeza jambo kama hili.

Jambo la tatu ni mambo ya mafuta ya kutoka kwenye miti na Wanyama, ile kwa Kiingereza inaitwa *edible oil*. Kwa nini isipunguzwe na kutolewa kabisa iwekwe sufuri ushuru? Hii ni bidhaa ambayo inatumika na Wakenya wengi walalahoi. Kwa hivyo, hili jambo lazima tulitoe.

Jambo jingine ni hili: Nasikitika sana na sijui ni nani amepeana mawaidha ya kuweka ushuru kwa mkate na mifuko ya majani. Jamani, yule aliyetoa mawaidha hayo ninamwambia shetani ashindwe kwa sababu sisi Wakenya mkate tunaupenda, twautumia sana kwa chai, na ndio kiamsha kinywa chetu.

Katika huu Mswada, kuna mambo mengine ambayo yamejificha na yanatuathiri sana. Kwa mfano, *stove* za kupika hutumika sana na Wakenya wengi ambao hawawezi kununua meko za gesi. Hizo pia zimeongezewa ushuru. Tunapigana na janga la malaria, lakini leo tunaambiwa *mosquito repellent* ama ile dawa ya kujipaka ili kusudi watu wasiumwe na mbu na kuleta malaria pia imeongezwa ushuru.

Hon. Millie Odhiambo-Mabona (Suba North, ODM): On a point of order, Hon. Speaker.

Hon. Speaker: Order, Mishi. Hon. Millie Odhiambo, what is the issue? Under what Standing Order?

Hon. Millie Odhiambo-Mabona (Suba North, ODM): Under Standing Order 1.

Hon. Speaker: No, it is not available to you.

Hon. Millie Odhiambo-Mabona (Suba North, ODM): No, I will explain.

(Hon. Millie Odhiambo spoke off the record)

Hon. Speaker: Hon. Millie, I have the school here and I will acknowledge them if that is what you want to raise. It is out of order for you to shoot into the debate on Finance Bill to mention a school from Mfangano. Take your seat.

Hon. Mishi.

Hon. Mishi Mboko (Likoni, ODM): Mheshimiwa Spika, bidhaa zile ambazo zinatoka nje ambazo tunasema tutazitoza ushuru lazima tuwe waangalifu tusije tukaweka ushuru katika bidhaa ambazo sisi kama taifa bado hatujatengeneza viwanda vya kutosha vya kutengeza hizo bidhaa kama vile *clinkers*. Sasa hivi, tunajenga majumba ya bei nafuu na tunatumia *material* nyingi sana na hivi basi hatuna viwanda vya kutosha vya kutengeza bidhaa kama hizo. Kwa hivyo, lazima tuangalie wakati mwafaka wa kuongeza ushuru kwa bidhaa za kutoka nje wakati tumetimiza na kuwa na uwezo kama taifa la Kenya.

Vile vile, tuliambiwa kwamba magari ni mapato na kwamba tutoe ushuru. Nasema magari si mapato. Magari ni ile tunasema *asset* au rasilimali kwa Kiswahili na huwezi mtoza mtu ushuru katika rasilimali.

Jamani tupunguze matumizi ya kiholela katika ofisi zetu, Ofisi ya Naibu wa Rais inahisi kurekebisha na mabilioni za pesa. Ukiangalia bei ya kununua hio ofisi na bei ya marekebisho ni tofauti sana. Lazima tuangalie ufujaji wa pesa tuweze kusaidia taifa la Kenya, lakini tusitegeme mambo ya ushuru pekee tukaona tunaweza kukimu bajeti yetu. Sisi kama Wakenya tuendeleo kusimama kidete, tusingoje wanasiasa tunapooa mambo yanatukwaza hasa haya ya uchumi. Tusimame kidete tusikie sauti zetu zikizungumziwa.

Jambo jingine ni kwamba...

Hon. Speaker: Your time is up. Hon. Members, before I give the next Member, I acknowledge, in the Public Gallery, Gethsemane Gardens Academy from Suba North, Homa Bay County. On behalf of the House and myself, I welcome the students and their teachers to the House of Parliament. Thank you.

Hon. Wanjiku Muhia.

Hon. Wanjiku Muhia (Kipipiri, UDA): Thank you, Hon. Speaker. I stand to support the Finance Bill 2024 because the proposals from Nyandarua County and Kipipiri have been heard. I can confirm to the farmers from Kipipiri that their potatoes will not be taxed.

Having said that, as the Chair of the Committee on Regional Integration, I would like to inform the House that, as the East African Community (EAC), we are a community. I discourage Members from debating and indicating that the Bill is against the eggs from Uganda. That is not the essence of having a community. We can debate it nicely. The eggs from every region within the community are allowed. You can have them from Uganda. So, constrain debating on that matter. Let us not discuss about the eggs from Uganda and onions from Tanzania. We are a community and we can also sell to them.

Hon. Speaker, I want this House to be honest to Kenyans and, more so, to the Gen-Z. Because many Members have debated on the issues that were raised by Kenyans, I congratulate the Committee and the very able Chair, Hon. Kuria, because they have heard the proposals of Kenyans on vehicles, agriculture and all those things that have been debated. I restrain myself from debating on the same and seek that this House becomes honest for once to Kenyans. We must ask ourselves whether we need a budget. Of course, we need a budget. How do we finance the budget? The Council of Governors has been camping at State House asking for more funds. These Members, led by myself, have been camping at the Office of the Hon. Cabinet Secretary, Murkomen, asking for roads. These Members have been speaking of Junior Secondary School teachers asking for billions to pay them. These Members have been speaking for the old people and asking for more than Ksh40 billion to pay them. So, it beats logic that you can join the public in the gallery, bloggers and Gen-Z instead of educating them. You go to the road to demonstrate, but you do not have roads in your constituency. Instead of us as Members

informing the public that we need Ksh600 billion for education, we are supporting the public and raising the emotions which, in my view, is dishonest.

It is honest to educate the public that the county governors were camping at State House. In fact, it is a cycle. The citizens back home were also camping at the governors' residences and their offices asking for projects. Why we go to Murkomen is because our citizens also come to our offices, homes and call us asking for projects. It is a whole cycle and somehow the budget is also political. You need to do a road in your constituency and the governors need to do their projects in their counties. Where will the President get the money? The money has to be raised. There is no need of raising emotions and supporting the bloggers who are only saying: "Reject the Finance Bill", and yet they are not saying "reject the roads" in our constituencies.

Regarding the point on infrastructure bonds, in as much as we want to defend locals, we also need money from investors, since no village can exist alone. Hon. Speaker, I will bring an amendment through your Office or the Office of the Clerk. About 5 per cent will be charged on locals effective July and 15 per cent will be charged on investors. I feel this is on the higher side. For the purposes of the Government earning quick money from the infrastructure bonds, it is my hope that my amendment will get support so that it can go through.

Hon. Speaker, with that, I want to insist that this House must be honest. We need the budget...

Hon. Speaker: Thank you, Hon. Muhia. Order! Order, Hon. Members. For those who intend to file amendments, remember we said this must be done tomorrow, by 1.00 p.m. Beyond that, they will be rejected. Hon. Babu Owino, proceed.

Hon. Babu Owino (Embakasi East, ODM): Thank you, Hon. Speaker. I rise to oppose the Finance Bill 2024 based on the following grounds. Yesterday, there was anger that was expressed in the streets by Kenyans. To be specific, the Generation Z revolution reminds me of the revolution which took place in China - the Chinese Revolution. It was also known as the peasant revolution or *mama mboga* revolution. It occurred in 1949 and was headed by a gentleman called Chairman Mao Zedong together with Deng Xiaoping. It also reminds me of the Russian Revolution, called the Bolshevik Revolution that took place in 1917 under the leadership of Vladimir Lenin and Joseph Stalin. It further reminds me of the Bourbon Revolution in France or the French Revolution that took place in the year 1789 headed by Maximilien Robespierre together with Napoleon Bonaparte, the military genius. That revolution advocated for three things: Liberty, equality and fraternity.

Hon. G.G. Kagombe (Gatundu South, UDA): On a point of order, Hon. Speaker.

Hon. Babu Owino (Embakasi East, ODM): Can you just shut up as I pump knowledge in your empty mind?

Hon. Speaker: What is it, Hon. Kagombe? Hon. Babu Owino, take your seat.

Hon. G.G. Kagombe (Gatundu South, UDA): Thank you, Hon. Speaker. The Member for Embakasi East is beating drums of war. It is very unfortunate to use this forum...

Hon. Speaker: Hon. Kagombe. what is out of order? Under which Standing Order?

Hon. G.G. Kagombe (Gatundu South, UDA): What the Member of Parliament is saying is not relevant to the Bill that we are discussing. He is taking this opportunity to beat drums of war in this country. We are at a very bad moment and cannot allow that to happen on the Floor of this House.

Hon. Speaker: Go on, Hon. Babu.

Hon. Babu Owino (Embakasi East, ODM): Hon. Speaker, I do not like responding to fools.

Hon. Speaker: Order! Withdraw that statement. There are no fools in this House.

Hon. Babu Owino (Embakasi East, ODM): In the book of Proverbs, Chapter 26, the Bible says that, never respond to a fool, because the...

Hon. Speaker: Order, Hon. Babu Owino. Order, Hon. Members. In this House, whether a Member represents fishermen from the shores of the lake or sea, herdsmen or he is a professor, you are all Hon. Members of this House. There are no fools here. I want to warn Hon. Babu Owino that respect begets respect. Respect your colleagues and they will respect you. Can you withdraw and apologise?

Hon. Babu Owino (Embakasi East, ODM): Hon. Speaker, a fool is somebody who does not understand something.

Hon. Speaker: Order! Order, Hon. Babu Owino.

Hon. Babu Owino (Embakasi East, ODM): If I think that somebody is a fool...

Hon. Speaker: Order! Order, Hon. Babu Owino. You withdraw and apologise or I truncate the microphone and give it to somebody else. Yes, Hon. Babu.

Hon. Babu Owino (Embakasi East, ODM): I withdraw.

Hon. Speaker: And apologise.

Hon. Babu Owino (Embakasi East, ODM): Hon. Speaker, I will not apologise.

Hon. Speaker: Withdraw and apologise.

Hon. Babu Owino (Embakasi East, ODM): You can give the microphone to somebody else.

Hon. Speaker: Okay.

Hon. Babu Owino (Embakasi East, ODM): I do not withdraw.

Hon. Speaker: Okay. Truncate the microphone. Hon. Mutunga, proceed.

Hon. Ken Chonga (Kilifi South, ODM): On a point of order, Hon. Speaker.

Hon. Speaker: Yes, Hon. Chonga. What is it? Give him the microphone.

Hon. Ken Chonga (Kilifi South, ODM): Thank you, Hon. Speaker. You made a statement before the House went for lunch that Members should not remove their cards from the machines.

Hon. Speaker: I did not.

Hon. Ken Chonga (Kilifi South, ODM): After lunch, I was number seven. Right now, the number of Members who have contributed are more than 30. I wanted to know whether we are still following the list or you have changed the rules. So, that those who will not have a chance to speak can do something else.

Hon. Speaker: *Sawa sawa*, Hon. Chonga. *Utaongea hakuna shida*. Hon. Members, as you debate, I want to repeat this. There are people with various levels of education, knowledge, wealth and many other things. Humility and respect costs nothing. The fact that somebody has said something you do not like or agree with does not make him a fool. *Enda usome kitabu kilichoandikwa na Mwalimu Nyerere akifafanua tofauti ya mpumbavu na mjinga na utaelewa. Endelea, Mhe. Mutunga.*

Hon. (Dr) John K. Mutunga (Tigania West, UDA): Thank you, Hon. Speaker, for giving me an opportunity to add my voice to this debate. I stand to support the adoption of the Committee's Report and amendments to the Finance Bill. Kenyans spoke and were heard. Many times, they say they are never heard but, this time around, they were heard. This has significantly changed the content and context of this Bill.

The Finance Bill is important because it gives the Government ability, force and mandate to support development and run its business. This is done by this House because we are mandated by Article 114 of the Constitution to impose or vary the different rates and taxes that individuals and institutions pay. Many Members have spoken to revenue generation by the Government. It can get money from international trade, which it is not doing. International trade is not only importation but exportation, so that we can earn foreign exchange and make money through taxes.

Strengthening the shilling is another one way, but I want to dwell a lot more on corporate and individual taxes. This is the main source of income for this country. Therefore,

for us to engage in manufacturing and diversify sources of revenue in our economy, we must get money to invest. The only way we can get this money is through taxation. Sometimes, the imposition of taxes helps us in various ways. It increases the possibilities for employment. There are many Kenyans out there who are unemployed and we need to create jobs for them. There are specific provisions in the Report with varying taxes for instance, excise duty on potatoes, onions and table eggs. I want to dwell on this for one minute.

Hon. Speaker, when we import potatoes, we make sure that our farmers do not produce. When we import onions, we export labour for our farmers and we bar them from producing. When we import table eggs, we make sure that our poultry farmers do not have market or cannot sell competitively. So, barring those ones through taxation and imposition of import duty is important. However, there is a specific egg that is excluded, and this is the viable egg. That is an input. It is not for the table.

Hon. Speaker, eco levy has been introduced in some of the issues and I want to specifically dwell on the tyres. Many of the people speaking in the social media are alluding to the fact that tyres for the wheelbarrows, motorbikes and others have been taxed. The tax has been removed and it is important for Kenyans to know that the motorcycles that have got a duty on them are those that are imported when they are fully assembled, and not the ones that are assembled in Kenya.

Specifically on agriculture Hon. Speaker, the VAT on cane transportation has been waived and this is important for purposes of reducing the cost to the farmers. Let me talk about the issue of alcoholic beverages. The movement from levying tax on the quantity of alcohol and specifically going to the alcohol content, is important because it will bar our young people from engaging in very concentrated alcoholic substances.

There has been a proposal for exemption of duty in this Report, for beverages originating from sorghum, millet and cassava. What this does is basically to improve the production of those commodities and, therefore, encourage production of other beverages through them.

Hon. Speaker, there has been improvement within the Report of disposable income. This is because, for instance, levying 5% of the gross income on the *per diem* as a waiver, will increase the disposable income, as opposed to the previous Ksh2,000. The inclusion of SHIF and the Housing Levy as statutory deductions also increases the disposable income.

The final thing I would like to talk about is the motor vehicle circulation levy. This was a major issue and I had also proposed to bring an amendment on this issue. However, I am glad the Report has recognised that and did away with it.

Hon. Speaker, this Report is balanced. We must raise some money. We cannot reduce everything and we cannot remove everything.

Hon. Speaker: Thank you. Hon. (Dr) Oundo.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): Thank you, Hon. Speaker. It has been a long wait, but it is worth it for the people of Funyula and the people of Samia. At the outset, a Finance Bill is meant to cure two issues. To make proposals for revenue raising for that particular financial year and to make administrative changes to existing financial or revenue raising measures and taxes of that kind of nature. As I stand here today, I join the Kenyans all over the country who have been very unequivocal that they reject this Bill. I reject it emphatically and I have got very valid reasons to reject it. I am here to represent the people of Funyula because there is an established principle of no taxation without representation. I am here on behalf of the people and I state what the people of Kenya have told me.

Hon. Speaker, just perusing through the draconian measures that are contained in this Bill, clearly indicates that the drafters of the Bill are sadists, are impervious to the suffering of the people of Kenya and I call upon the cabal and the cartel that presented this Bill to go and soul-search and find out whether they are part of the Kenyan people or they are the oppressors.

Hon. Speaker, in all fairness, how would you impose an income tax on an asset? How? I mean, a car is an asset. It is not an income-generating activity. How do you impose income tax on an asset? How do you impose VAT on the very basic things like bread, sanitary pads, and whatever they call it? In our days, they used to call them napkins. Now they are called pampers. During our days when we were parents, they were called napkins. How do you impose VAT and increase the cost of all those things in such a draconian manner in these hard times? They will pontificate that they have made changes to the Bill, that the benevolence of the Almighty, whether the Almighty God or whatever, has instructed them to make changes to the Bill. I still hold my position that a Committee Report does not negate a Bill. It is just a Committee Report. It can either be carried or it can be failed.

So, I want to tell Kenyans wherever you are that, this is a red herring; this is a gimmick; do not fall for it. Be relentless in your push; be relentless in harassing your MPs to make sure they protect the rights and interests of Kenyans.

Hon. Speaker, as we stand here, we have passed two Finance Bills under this regime. We passed the first one and this is the second one under this regime. They keep on gloating that we have reduced the fiscal deficit from six point something to three point something. I want Kenyans to understand this. Any reduction in the fiscal deficit must be commensurate with the improvement in the GDP growth rate. The GDP growth of Kenya has stagnated at 5 per cent. And the World Bank estimates this year indicates likewise, it should remain the same at 5 per cent. So, the so-called reduction in fiscal deficit is a paper story. It has no impact at all on the ground.

Hon. Speaker, we need to be very careful. This is a country of close to 50 million Kenyans and all Kenyans must be treated equally without discrimination. Imposing a tax on some kind of raw material, clinker, so that you benefit and improve the economic value of a particular player in the industry, is unconstitutional and is extremely unfair.

As I conclude, I want to send a message to the President. If he has read the book of Chinua Achebe, Okonkwo was told: "This boy has called you father! Do not kill him." He went ahead and killed him because he had been told by customs to kill him. The IMF, Bretton Wood institutions and the USA are telling you to kill Kenyans, while Kenyans are crying. The blood of Kenyans should remain in your hands.

Thank you, Hon. Speaker. I oppose.

Hon. Speaker: Hon. Waqo.

Hon. Naomi Waqo (Marsabit County, UDA): Thank you, Hon. Speaker, for allowing me to add my voice to this very important debate on the Finance Bill 2024/2025. At the outset, I confirm that I support and congratulate the Committee led by Hon. Kimani, as he has done very well together with his Committee.

Having gone through the Report, I congratulate the Committee because they have put into consideration the many concerns that Kenyans have brought through public participation. As I say that, Hon. Speaker, it is unfortunate that our young people have been on the streets for the last few days and some of them have gone through challenges because of that. Others have been injured just because somebody somewhere is spreading lies and misleading the nation. Today, we are here debating on the Finance Bill and telling Kenyans how it will help us to facilitate the budget that we passed last week.

Hon. Speaker, I have been visiting some of the ministries. Any time you go to the Ministry of Transport, Health and other ministries, you find our Hon. Members, colleagues, waiting to be served and demanding for projects to be taken to their constituencies. Unfortunately, today, they are here fighting the methods of financing our budget and supporting the budgets they have been pushing for. When some of us are here in the House debating and trying to push the agenda for the Government, they are moving from one place to the other, looking for opportunities to do businesses in ministries and with Kenyans. Yet today, they are

here fighting and misleading Kenyans. The most important thing that we can do is help the Government become self-reliant. By doing so, we will reduce dependence on foreign assistance.

When we took over this Government, it was clear that the economy was very bad. However, we are not where we were.

Hon. Speaker, I support this Bill because you remember very well that pastoralists lost 80 per cent of their livestock. For the first time, Ksh1 billion has been allocated to them in the Budget. And through this Bill, they will be supported.

For the first time, the school feeding program has been well-catered for and 20,000 more teachers will be employed in addition to the 50,000 teachers who had been employed earlier.

Hon. Speaker, the Government is focused and is listening to the people through public participation. Today, 16 per cent VAT on bread has been removed. VAT on transport and sugar has also been removed and there is no increase in the mobile money transfer charges. It still remains at 15 per cent. Some activists are cheating people by spreading lies and making young people go to the streets. My advice to the people is support this Bill and you will see the fruits. By passing false information to the people, we will not help them. However, by passing this Bill, we will support our budget and facilitate ministries to bring the transformation we want. I fully support it. Let us make sure that Kenya is self-reliant.

Thank you, Hon. Speaker.

Hon. Speaker: Hon. Suzanne Kiamba.

Hon. Suzanne Kiamba (Makueni County, WDM): Thank you, Hon. Speaker, for giving me a chance to also contribute to this very important Bill.

First and foremost, it is prudent for Kenya to compare itself with our neighbours on taxation rate. However, it is evident that, as we compare ourselves with other countries in the region who are taxing their people much more than us, we have to look at the local context on where Kenyans are.

Currently, Kenyans are economically vulnerable, and on their knees. Anybody attempting to add anything on top of the suffering Kenyans will not do justice. It is dishonest for us to get input from international financiers and imagine that Kenya is in the same situation. It is important to realise that since the COVID-19 pandemic, the economy of Kenya has not picked up. Taxing Kenyans higher is making them vulnerable and unable to survive.

Everybody is saying that we are taxing them to repay our debts. I agree that we have to repay our debt. But those debts have been acquired over a 61-year period. You cannot acquire debt in 61 years and want to do away with it in two years. That means over-burdening the people of Kenya. We have to be strategic in dealing with debt. Kenyans are not dying tomorrow. We need to pay the debt in a manner that enables the people to continue to grow. So, when I hear this passion of wanting to tax Kenyans more to pay the debt, I wonder. We need to recognise that this debt is very old. We should be strategic in dealing with the debts for the next five to seven years. That way, we will allow Kenyans to survive.

Thirdly, it is shocking that since the Finance Bill, 2023, we have been borrowing money to do reproductive activities. We say we are poor and in need of money. But the little money we get, we put it in housing and health care. While I accept they are valuable programs, you cannot have the few coins put into productive health. That is putting the small coins in a dead hole. When you build a house, when will it generate income so that you collect taxes? We need to sit down and have a Finance Bill that is strategic, enabling, and can take Kenya forward.

We cannot have a Finance Bill which is putting the little money we get into a hole. When we go and build everybody a house, it is a good thing. But is it right for us now? The small money we have, we must put it in a productive activity. I do not see anything like that in this Finance Bill.

Hon. Speaker, when we did the Finance Bill, 2023, Kenyans had very many problems. We have not even seen the fruits of the Finance Bill, 2023. People are still over-burdened. We have never seen the fruits. I think it is prudent for the interventions we did in the Finance Bill of 2023 to wait and see what kind of fruits we are getting. This is so that the finance bills are progressive, and building from each other. We should not just be passionate of collecting taxes without enabling Kenyans to grow.

Let us look at some of the investments. One of the very strategic projects in the Finance Bill, 2023, was the Hustler Fund. Where are we in Hustler Fund?

(Applause)

Getting money, putting it in holes, and then you ask Kenyans to give more? From where? You cannot milk a cow that is eating nothing. Kenyans should be fed with something to enable them produce more and promote the economy. How do you milk a dead cow? Kenyans are dead. We need interventions that enable Kenyans to thrive. It does not make sense to continue taxing Kenyans more when they are like dead cows.

Hon. Wanjiku Muhia (Kipipiri, UDA): On a point of order, Hon. Speaker.

Hon. Speaker: Order, Hon. Kiamba. Hon. Wanjiku Muhia. What is your point of order and under what Standing Order? Give her the microphone.

Hon. Wanjiku Muhia (Kipipiri, UDA): Hon. Speaker, I rise under Standing Order 91.

Is the Member in order to state to the House and mislead the nation that there is no Hustler Fund? Can she substantiate this?

Secondly, is it in order for the Member to say that there are no fruits and yet she is receiving a salary and NG-CDF?

(Loud consultations)

Hon. Speaker: Hon. Kiamba, your time is up. Hon. John Paul Mwirigi.

[The Speaker (Hon. Moses Wetang'ula) left the Chair]

[The Deputy Speaker (Hon. Gladys Boss) took the Chair]

Hon. John Paul Mwirigi (Igembe South, UDA): Thank you very much, Hon. Deputy Speaker.

I also rise to contribute to this Bill. Kenyans sent us to this House to represent them. This Bill has come at the right time. Two weeks ago, we passed the Budget and this Finance Bill is targeting to fund it.

Kenyans have been fed with lies that some taxes that were introduced would harm them. However, I want to inform them that taxes like the one on bread, motor vehicles, cooking oil and M-PESA were all dropped. Yesterday, we stood together and did what Kenyans sent us to. This Bill is targeting to improve the economy of this country and, therefore, the taxes collected would help improve the infrastructure of this country. The taxes collected through this Finance Bill will help improve the infrastructure in our country. I am a happy parliamentarian because my constituency will receive Ksh50 million for the electrification of villages. The NG-CDF will also receive an additional Ksh10 billion, thus my constituency will receive an additional Ksh30 million. Those funds will help me to do more work for my people.

Most of the farmers in my constituency do not get their products to the market on time, because their competitors have invested in importations. The imposition of tax on imported goods will help local sunflower and canola farmers to access a better market, thereby improving

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our industries. The imposition of tax on imported eggs will allow local poultry farmers to access markets as locally produced eggs will be readily available. Over the weekend, many Kenyans messaged me to reject the tax on bread. I would like to inform them that the tax on bread has been removed.

With those many remarks, I support.

Hon. Deputy Speaker: Member for Bomachoge Borabu, Hon. Obadiah Barongo.

Hon. Nolfason Barongo (Bomachoge Borabu, ODM): Thank you, Hon. Deputy Speaker, for giving me the opportunity to address this House. I was going to address the proposal by the Government to increase the Road Maintenance Levy (RML) from 18 per cent to 25 per cent but, thankfully, the Chairperson of the Departmental Committee on Finance and National Planning has proposed to remove that provision from the Bill. For that reason, I will shift my focus to yesterday's events.

Yesterday, our adoring Generation Z woke up the Government from its slumber. That audacious generation decided to have their voices heard. I thought of words with which to salute them on X, but words failed me. Since I did not do them justice on X, I ask every Member here to pay attention to this generation because they are our future. As is our tradition in recognising visitors to this House... I cannot help but notice that the Speaker beams with happiness when we acknowledge visitors in the Speaker's Gallery. In the same vein, I urge all of us to salute the actions of Gen Z.

(Applause)

Gen Z represents the best of our country. Yesterday, they were only exercising their constitutional rights under Article 1 of the Constitution.

(Loud consultations)

Hon. Deputy Speaker: I understand that this is your maiden speech. So, you may proceed.

Hon. Nolfason Barongo (Bomachoge Borabu, ODM): In honour of Gen Z's actions, I ask all of us to stomp our feet in recognition of what they did yesterday because it was constitutional.

(Applause)

I thank you, Hon. Deputy Speaker.

Hon. Deputy Speaker: The Member for Githunguri.

Hon. Gathoni Wamuchomba (Githunguri, UDA): Thank you, Hon. Deputy Speaker. I rise to contribute to the proposals on the Finance Bill that have been tabled in this House. For a long time, the Finance Bill has not been a subject of discussion in this country. However, in the last one and a half years, Kenyans have awakened to the issues in the Finance Bill and have made it a public discussion.

I had attempted to speak earlier because I use sanitary towels. As a user, a mother and a woman leader, I am greatly concerned about the impact of the said taxes on the price of sanitary towels and diapers. This price increase will not only affect the individuals using those products, but also household budgets. After deeply interrogating the proposals in the Finance Bill, I realised that there is a promise to remove Excise Duty on imported sanitary towels and diapers. However, the raw materials that are used by local manufacturers are still subject to VAT. If those raw materials continue to be subjected to VAT, the manufacturers will have no

choice but to pass the cost of that tax to the users. If we do not remove VAT on raw materials that are used to make sanitary towels, we will still have expensive sanitary towels and diapers.

Currently, some girls do not go to school when they are on their menses because they cannot afford sanitary towels. If we increase the price of sanitary towels, then we will deter the education of many young girls who have the potential to become powerful women in this country.

In the spirit of making laws, we cannot make laws to obscure others. I have gone through all the proposals and noted that various provisions in this Bill will deter us from implementing the laws that we have previously made in this House. We have a proposal to amend the Data Protection Act of 2019. This law, which was passed in the previous Parliament, was enacted to protect personal data. I know that Members, including myself, have received numerous messages from the public. I do not know where they got our telephone numbers from, but we cannot blame them because they may be operating under pressure. It is, however, against the law to share out telephone numbers of Members of Parliament. Even as they do that, we are protected by the law. What happens if we amend that law and allow anybody to access our personal data, including financial data? Therefore, in my view, we must be very careful so that we do not make laws that are going to make other laws not to be operational.

Hon. Deputy Speaker, I represent farmers. I would have been very excited to hear that, just as we have exempted VAT on transportation of sugar-cane – and which I am happy about – we have also exempted VAT on transportation of milk, avocados, macadamia nuts, tea and coffee. I understand that we want to make sure that we lower the cost of operations for sugar millers so that they can lower the cost of the sugar that we use to sweeten our tea. We also consume milk and we also want to lower the cost of its production so that we can have an affordable cup of tea. Therefore, I request this House to also extend the same treatment to farmers in Githunguri.

With those many remarks, I am still not convinced that I should support this Bill.

Hon. Deputy Speaker: The Member for Homa Bay.

Hon. Atieno Bensuda (Homa Bay County, ODM): Thank you, Hon. Deputy Speaker, for giving me this opportunity to contribute to the Finance Bill. I want to state that I reject this Bill in totality.

At the outset, there is increased taxation item by item and detail by detail up to the end. I recognise that we were advised by the Speaker, Hon. Wetang'ula, that we present our contributions based on linkages, opinions, the Budget and the Finance Bill that is being debated. First and foremost, I want to say that, as Kenyans, we were disappointed with the presentation that was given by the Cabinet Secretary for the National Treasury. Kenyans keenly listened to how revenue was going to be generated to fix what is proposed in the Budget. I want to say that Kenyans were shocked because we were told that one of the reasons for increasing taxes was that we want to raise revenue so as to sort out our pending bills.

It is on the Floor of this House that we were told that we have to wait for consolidation of the pending bills in this country by October. For that reason, I reject the reason for which we are increasing taxes so that we foot our pending bills. The leadership in this House must rise to the occasion. I want to ride on the presentation that has been made by Hon. Sylvia, who said that she does not understand what a Finance Bill is. Our colleagues were invited to State House yesterday, and I thought they were going to make meaningful contributions and explain why they think they are under siege in their respective constituencies.

Some Members here are saying that the Opposition is relying on social media. Why then did they choose to act on the social media by telling us along the corridors that they have dropped all the things that we were arguing about? That was just the bread issue and taxation of the motorcycles. They are also contradicting themselves. Why did they choose to act on

issues that were being raised in the social media? Why did they choose to respond to the Fourth Estate?

Hon. Deputy Speaker, I want to say that public participation needs to be re-defined. Yesterday, on television, I saw a desperate Majority Whip, Hon. Silvanus Osoro. He was very desperately trying to convince Kenyans and deeply thinking on how taxation on bread and motor vehicles has been dropped. He looked desperate and under pressure. I want to say that we must stand firm on the Floor of this House and rise beyond the numbers. Issues of numbers do not arise when we talk about the Finance Bill. I want to say that the Finance Bill of 2023 can equally be applicable on the Budget that we want to appropriate.

I want to say that there must be progress on how we generate our taxes. I want to request for one minute because I have valid points. Thank you so much. Hon. Deputy Speaker, as a woman, you know the problems that we have.

Actors in the private sector are key and we must take care of their interest; lest they migrate from this country. When we talk about zero-rating and standard-rating, the final sufferers are the consumers. President Yoweri Museveni said that Kenyans must learn to produce and manufacture their raw materials. Where is that in the Finance Bill?

Hon. Deputy Speaker: Member for Alego Usonga, Hon. Samuel Atandi.

Hon. Samuel Atandi (Alego Usonga, ODM): Thank you, Hon. Deputy Speaker. I want to make a few observations.

The anchor document that the Finance Bill draws its contents and which we passed in this House is known as the Medium-Term Revenue Strategy Paper. That document is anchored on two important principles. First, the Finance Bill needs to be predictable and certain. It is anchored in this document because when investors and businessmen want to do business in a country, they must be certain that the tax laws that will prevail are long term, and that they are able to allow them to plan their businesses.

Before I joined Parliament, I used to work in the banking sector. We used to engage business people and help them draw business strategies. One of the things that we used to look at was how the tax environment would be in the next three or four years. We passed a Finance Bill last year and even before businesses have taken advantage of the incentives that we provided therein, there is a new Finance Bill which is overturning those benefits. That is why I am opposing this Bill. It is taking away the benefits that we gave to businessmen just the other day.

Hon. Deputy Speaker, for instance, in the last Finance Bill, we reduced the import declaration fee because we realised that there were many raw materials that our industries needed that we must import. In this Finance Bill, that tax has been raised by 1 per cent. This is going to hurt the manufacturing sector. I have heard many Members claim that this Finance Bill is good for the manufacturing sector, but that is not the case because this country does not produce a lot of raw materials. That means we are going to import them at a high cost.

Secondly, there are some taxes that have been introduced such as VAT on financial services. Only 14 per cent of Kenyans enjoy banking services. In most African and developing countries, about 50 per cent of the citizens enjoy banking services. Introducing 15 per cent VAT on financial services is like telling many Kenyans not to enjoy banking services. This is going to be a serious drawback in our campaign to have many Kenyans banked. This also applies to the new tax that we are introducing on mobile money transfer. There is a tendency by this House to continue taxing money transfer services. Last year, Excise Duty on money transfer services was 15 per cent. We are trying to raise it to 20 per cent. We need to realise that sending money is not production. It is unfair to continue to tax people because they are using mobile money transfer services.

As I conclude, one of the reasons why we do not meet our tax targets is taxpayer morale. Somebody will willingly pay tax if their morale is boosted. This Bill does not boost taxpayer

morale. I foresee a situation where taxpayers will refuse to pay their taxes. This is actually happening. The officers at KRA are merely collecting bribes because taxpayers have refused to pay tax. They would rather keep the tax and bribe KRA officers when the officers go after them. Therefore, we need to have a tax regime that promotes taxpayer morale so that they can willingly pay tax.

With those remarks, I oppose.

Hon. Deputy Speaker: Thank you, Hon. Atandi. Hon. Mary Emaase. Hon. Members, if you have spoken, please, log out. Hon. Oundo and Hon. Otiende Amollo, you have spoken and yet, your names are still on the screen. You are blocking other Members from appearing on the screen.

Hon. (Dr) Ojiambo Oundo (Funyula, ODM): I have logged out.

Hon. Deputy Speaker: You have logged out now. Thank you. Hon. Mary Emaase.

Hon. Mary Emaase (Teso South, UDA): Thank you, Hon. Deputy Speaker. I have been queuing since morning. I thought you had forgotten that I am here.

At the outset, I appreciate the Chairman of the Departmental Committee on Finance and National Planning, Hon. Kimani Kuria, and his entire team for a meticulous job. The manner in which you have handled the making of the Finance Bill is, indeed, commendable. Having said that, Article 221 of the Constitution, Section 39(2) of the Public Finance Management Act and Standing Order 235(5) provide for the execution of the estimates of revenue and expenditure. Underline the word “revenue.” This process is not complete until the passage of the Appropriations Bill. The passage of the Appropriations Bill is not possible without the execution of the Finance Bill.

Therefore, Hon. Deputy Speaker, it is against that backdrop that we are discussing the Finance Bill. It speaks to the revenue-raising measures, without which we shall have no Budget. What we adopted are just estimates.

I commend the Committee because they followed the due process once the Finance Bill was submitted to the House and committed to it. They had to subject the proposals from the National Treasury to public participation. Therefore, to hear colleagues allege that the Government has now decided to bring amendments this late or to perpetuate the notion that the Committee was pressurised, is disappointing. The Committee had to listen to Kenyans and get their views before recommending amendments to the Finance Bill. We are here as the representatives of the people. We are the watchdogs and the ones to oversee the Executive. That is why when the Executive proposes anything, it cannot just be passed. There is a committee that does scrutiny and review. They have to discuss, conduct public participation and then recommend some amendments before they bring them to the House for all of us to adopt. They do that on our behalf.

I know it has been a difficult time not just for Hon. Kuria and his team, but for the entire House. We have received threats, blackmail and attacks on social media telling us to reject the Bill. I want to ask a question. Allow me to use the analogy of a bag of potatoes. If you have a bag full of potatoes with 10 or 15 rotten ones, are you going to throw away the whole bag of potatoes because of the 15 rotten ones, or are you going to remove them, throw them away and carry the rest of the potatoes to the kitchen to prepare a delicious meal?

(Applause)

[The Deputy Speaker (Hon. Gladys Boss) left the Chair]

[The Speaker (Hon. Moses Wetang'ula) took the Chair]

I am here to represent the people of Teso South, who have given me that mandate. They have needs. So, I will support the Bill as amended. The Committee has removed the proposed 2.5 per cent VAT on motor vehicles, 16 per cent VAT on edible oils and some of the most contentious proposals that Kenyans did not agree with. They are proposing to remove those provisions and we will be passing their proposal during the Committee of the whole House.

Hon. Irene Mayaka (Nominated, ODM): On a point of order, Hon. Speaker.

Hon. Speaker: Hold on, Hon. Emaase. What is the problem, Hon. Irene Mayaka?

Hon. Irene Mayaka (Nominated, ODM): Thank you, Hon. Speaker. This is something that I have just noted from my senior, whom I respect a lot, and other Members. We are not talking about the Bill as amended, since it has not yet been amended. It is the Report that is introducing amendments to the Bill. We need to be very clear on that particular fact so that we do not mislead Kenyans.

Hon. Speaker: She is actually not out of order because I heard her say: “The Committee has proposed.”

(Loud consultations)

What did she say?

Hon. Irene Mayaka (Nominated, ODM): She said that the Committee has amended it.

(Loud consultations)

Hon. Speaker: Order. If that is what you said, then you are out of order, Hon. Mary. The Bill has not been amended, but there is a proposal from the Committee to amend it. Therefore, you have two documents – the Bill as it is and the Committee Report with various proposals, including amendments. If you want to talk about changes in the Bill, talk of proposals because we do not have amendments yet.

Hon. Mary Emaase (Teso South, UDA): Hon. Speaker, I mean proposed amendments that the Committee has recommended as per this Report. Allow me to point out one of the proposed amendments.

Hon. Speaker: It is okay. Go on.

Hon. Mary Emaase (Teso South, UDA): Thank you, Hon. Speaker. I am saying that the Committee has proposed amendments to the Finance Bill. I agree with Kenyans that there were contentious proposals that we must do away with. I will support the Bill with the proposed amendments. I particularly want to respond to one of the proposals on VAT on financial services and the internet. It was especially going to affect the Gen Z that you are talking about, the hustlers and university students. The proposal to delete that proposed tax is, indeed, commendable.

Hon. Speaker: Hon. (Dr) James Nyikal.

Hon. (Dr) James Nyikal (Seme, ODM): Thank you, Hon. Speaker, for giving me this opportunity.

(Hon. Charles Nguna stood in his place and spoke off the record)

Hon. Speaker: Order, Hon. Nguna. What is the problem, Hon. CNN? Hold on, Hon. Nyikal.

Hon. Charles Nguna (Mwingi West, WDM): Hon. Speaker, I have been here since 9.30 am. From the screen, it is clear that I am the one who is supposed to speak after Hon. Mary Emaase. Anyway, let me be patient. I hope I will be the next person to speak.

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Hon. Speaker: Take your seat. The discretion remains with the Chair. However, let me also tell you that if there is a Member who sits here longer than any other, it is Hon. (Dr) Nyikal. He sits here from the beginning. The Speaker finds him here and leaves him here.

(Applause)

Hon. (Dr) James Nyikal (Seme, ODM): Thank you, Hon. Speaker. I rise to oppose the Finance Bill, 2024. Since I came to this Parliament, this is the most canvassed Bill. The Committee met with professional organisations, churches, civil societies and students. All of them are unanimous that they do not like the Bill as it is. I propose that we oppose it. There were demonstrations and picketing yesterday in this town, in anticipation that the Bill would be discussed. If you looked and listened to the people who were picketing this time, they are well-educated. People may think that they were mobilised through social media, but they have read this Bill. They know what is in it. I dare say that some of them have read it better than us.

Kenyans are against this Bill because we had a Bill last year, which has made people suffer. We have brought another Finance Bill, but they are still suffering. They have looked through this one, but they still have not seen hope. We represent the people of this country. Why are they reacting like that? There are clauses that they do not like in this Bill. I will come to the Report later. The motor vehicle tax is illegal. They know it. An asset is not an income, but it is there. When you do that, all people will suffer. It is not only the people who own vehicles who will suffer, but also transport vehicle users.

Look at the tax on digital market. This is the reason as to why young people are out on the streets. They have no jobs. Those are educated people. They use the digital marketplace to earn a living – tik-tok and content creation. We also have digital hubs in our constituencies. The Ministry of Information, Communications and the Digital Economy is putting up digital hubs. They encourage young people to use them. We are now levying tax on that and yet, we do not have jobs for them.

Levying VAT on bread is something that has never been heard of in this country. We are now bringing it in. Whom are we affecting? It is the ordinary person. Bread is a staple food. There is also VAT on vegetable oils. Some months back, we had a big problem with the price of oil. We are, again, imposing tax when the prices are just starting to come down.

If you add tax on mobile phones, everyone uses them. Even school-going children use them. People feel that the Government we have now is against them. That is why we have this problem.

Look at the Eco Levy in Clause 45, which touches on diapers, sanitary pads and tyres of motor vehicles, bicycles and motorbikes. This touches the ordinary people. I know that we have proposed an amendment which says that the Eco Levy will only be imposed on imported products. People are rioting because they do not like this Bill.

The additional Fuel Levy was not even there, but it has since been brought in. We are proposing about Ksh7 on top of what is currently there. If you do this, everybody will be touched.

There is also an issue on the Housing Levy. We amended the Bill that was assuring the people who have contributed the money of getting the houses. We are now making it open to everybody. People do not like this levy. They thought they would get the houses but now, everybody....

Hon. Speaker: Hon. Josses Lelmengit.

Hon. Josses Lelmengit (Emgwen, UDA): Thank you, Hon. Speaker. Firstly, I join hands with my other colleagues in supporting this Bill, which is a very big win for Kenyans. Generally, it seeks additional revenue that is necessary to alleviate poverty and deliver public

services like roads, electricity and healthcare. Those are all services which will help to improve the lives of the people.

Additionally, this Bill is seeking to increase the disposable income for millions of Kenyans who are employed. The deductions of the Social Health Insurance Fund (SHIF) and Housing Levy will be done on gross salaries. We should note that Pay as You Earn (PAYE) will be deducted after the deductions of SHIF and Housing Levy. I have done calculations. For example, a salaried Kenyan who is earning Ksh50,000 has a net pay of around Ksh39,000 right now. With this new Finance Bill, the same Kenyan earning a gross salary of Ksh50,000 will go home with Ksh42,000. There is an addition of almost Ksh3,000. This is for all the salaried employees in Kenya. I agree with the Chairman and the team that came up with this proposal in the Finance Bill. It puts more money into the pockets of employed Kenyans. That is about 13 million Kenyans who are employed in both the public and private sectors.

Secondly, there are common principles of commerce that are taught in high school. I mention this for Hon. Babu Owino, Hon. Salasya and Hon. Junet, because they think alike and they are opposing this Bill. It dictates that you have to impose tax on importation so as to give room to local industries to spur economic growth.

Hon. Peter Salasya (Mumias East, DAP-K): On a point of order, Hon. Speaker.

Hon. Speaker: Hon. Salasya, what is the problem? Take your seat, Hon. Lelmengit. Give Hon. Salasya the microphone.

Hon. Peter Salasya (Mumias East, DAP-K): I have never stood on a point of order, but let me try to speak. This is under Standing Order 91.

(Laughter)

I am very disappointed with Hon. Lelmengit for saying that...

Hon. Speaker: Order, Hon. Salasya. Standing Order 31 deals with the adjournment of the House.

(Laughter)

So, it cannot be the one which you are standing on.

Hon. Peter Salasya (Mumias East, DAP-K): Hon. Speaker, I am standing under Standing Order 91. I am getting used to these things.

I am very surprised that, out of all these Members of Parliament, Hon. Lelmengit has mentioned my name and said that I oppose the Bill. He has not even listened to me giving facts the way I would want to. I will do so in the next five minutes, when Hon. Speaker calls me out to speak on this debate.

Hon. Speaker: Okay. Hon. Lelmengit, be fair to Hon. Salasya. He has not spoken to this Bill yet.

Hon. Josses Lelmengit (Emgwen, UDA): Thank you, Hon. Speaker. I was waking him up. He was asleep.

(Laughter)

Several Members are opposing this Bill particularly because of the proposed tax on assembled motorcycles that are imported. 3 per cent of tax has been imposed on them. However, taxes will not be imposed on locally assembled and manufactured motorcycles. This will spur economy growth and enable local companies to employ more youths to assemble the motor cycles within this country.

Again, I would love to buy locally produced diapers for my babies. There is no problem with Hon. Junet establishing a company like Junet Diapers Company Limited. I will be happy to buy them from his factory. Therefore, I urge every Member who is opposing this Bill to join hands with us to accept the amendments to the proposed Finance Bill 2024 and pass it.

Finally, the only problem we are fighting in this country, and in this Bill, is the negative connotations and statements that are propagated by the Opposition. Numbers do not lie. Inflation in the economy has dropped from 9 per cent to around 5 per cent over the last one year. The US Dollar has dropped from Ksh165 to Ksh130 or thereabout. Farmers are happy for the subsidised fertilisers. The teachers who have been interns for the last one-and-half years will get a chance to be employed on permanent and pensionable terms. That is a big win for our institutions back home – that is high schools and day schools that do not have teachers.

Hon. Umulkher Harun (Nominated, ODM): On a point of order, Hon. Speaker.

Hon. Speaker: Thank you. What is your point of order? There is nobody on the Floor. Hon. Umulkher. Give her the microphone. What is the point of order?

Hon. Umulkher Harun (Nominated, ODM): Hon. Speaker, I wanted to interject him, but he is not on the Floor.

Hon. Speaker: He is not on the Floor. So, it is spent. Thank you. I give the Floor to Hon. Elachi.

Hon. Beatrice Elachi (Dagoretti North, ODM): Thank you, Hon. Speaker. I rise to oppose the Finance Bill of 2024 with reasons.

Firstly, when this Government came into place, we started by removing subsidies, saying that the move would assist Kenya to move on. We had so many issues with the first Finance Bill. We thought the second one would bring Kenyans together. Instead, the economic council decided to put Kenya into a crossroads and make us fight for nothing, claiming that we will be having amendments. This is something that should have been dealt with from the beginning. We do not need to have the country go through a crisis and then offer incentives afterwards.

Hon. Speaker, this looks like an International Monetary Fund (IMF) sponsored Finance Bill. This is what they did to Ghana. I remember very well that when the late Mwai Kibaki was elected President – having been a former Minister for Finance – he decided to be a liberal economist and looked to the East. It is sad that my President thinks that he will build any road or handle infrastructure projects in this country with the IMF on his neck. Such projects will not happen during his tenure. Not in this term. He will be dealing with the deficits that they are telling him to create. We will see the worst of times that we have never seen in building Kenya.

Hon. Speaker, the Bill proposes to restore a policy on debt sustainability or whatever they are calling it. He has forgotten that he is the same person who was saying that he needs everything on electronic Tax Invoice Management System (eTims). Fine, you say you have reduced it for *mama mboga* and whoever. We forget that the same person who could have a business turnover of Ksh2 million is experiencing the new challenges that we are facing. Let us try to build an economic base for Kenyans to experience economic growth.

Reduction of tax for local manufacturers will only benefit the who-is-who – the likes of Devki Group – who are monopolising this country's economy. They are the only ones who can manufacture clinker and cement. Does that mean we cannot revive the East African Portland Cement? We only have one company that manufactures pasta in this country. Increasing import tax will not solve anything since we only have one local manufacturer of pasta in the country. That manufacturer decides when to increase the prices. How do you deal with such people? Tell us the number of local manufacturers we have in the country so that Kenyans can know.

Hon. Japheth Nyakundi (Kitutu Chache North, UDA): On a point of order, Hon. Speaker.

Hon. Speaker: Order, Hon. Elachi. Hon. Nyakundi, what is your point of order?

Hon. Japheth Nyakundi (Kitutu Chache North, UDA): Thank you, Hon. Speaker. I rise under Standing Order No. 91. Is it in order for the Hon. Member to say that the IMF dictates to the President on the Finance Bill, while the President has his mind? Is it not this House that dictates the Finance Bill and the orders that we make?

Hon. Beatrice Elachi (Dagoretti North, ODM): If you had your own mind, we would have gone to the President after we had finished with this Bill.

(Several Members spoke off the record)

What we are saying is that, it is high time that Kenyans reclaimed their power from the World Bank and IMF. We are begging, and begging so hard. The President must go back and look to the East so that we can complete our roads. He travelled to the United States of America (USA) recently and told Kenyans that he would be bringing with him some funds to build a road linking Nairobi with Mombasa.

Hon. Speaker: Order, Hon. Elachi. The World Bank does not vote in this House. It is you who will vote in this House.

Hon. Rindikiri.

Hon. Mugambi Rindikiri (Buuri, UDA): Hon. Speaker, I rise under Standing Order No.91. I expect a Member I respect very much to be relevant. We are not debating the performance and activities of the President. We are debating matters contained in the Finance Bill. I expect us to react to the content of the Bill. We are losing it because some Members are playing to the gallery. We had better stop this kind of approach to the Finance Bill.

Hon. Speaker: Hon. Elachi, the World Bank has no vote in this House. It is you who will vote. Therefore, remain relevant.

Hon. Beatrice Elachi (Dagoretti North, ODM): I say what I say because the same policies have eaten up Ghana and Zambia. They went through such policies when they were dealing with the IMF. It is not about voting. It is about asking ourselves what track we have taken.

I beg not to support.

(Applause)

Hon. Speaker: Thank you. Hon. Wamaua, I do not see you on this screen. Hon. Kamket.

Hon. Kassait Kamket (Tiaty, KANU): Thank you very much, Hon. Speaker, for giving me this opportunity. I stand to support the Bill fully and associate myself with the views and recommendations of the Departmental Committee on Finance and National Planning. The Committee has done a wonderful job in analysing the Bill and listening to Kenyans.

When this Bill was read the First Time, I got concerned like any other Kenyan, but I got confidence because I knew that Kenya is a working democracy. Legislation is a process. The Bill is referred to the Departmental Committee on Finance and National Planning and is subjected to public participation. The views of Kenyans are collected and collated, and then the Committee comes up with proper recommendations. The Committee has done just that. The Departmental Committee on Finance and National Planning represents Parliament. It is made up of Members from the political divide. It is not from one side of the House. Their Report has no dissenting view. Therefore, it represents Parliament. I want to thank the Members from both sides of the House for doing a good job.

In every financial year, the National Treasury officers are mandated to come up with revenue-raising measures to support the budget. They are free to be innovative and come up with wild ideas and bring them to this House. I do not see why there is hysteria. Why would a

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Member of Parliament join the public in demonstrating on the streets while his opportunity is here? When he is given a chance, he speaks about revolutions that do not exist.

Let us debate this Bill and look at the Committee's recommendations. Governments exist to levy taxes. It is the responsibility of Parliament to check on the Executive.

Hon. Speaker, when the orange button lights up as points are coming out, I begin to panic. This morning, I listened to the Leader of the Minority Party opposing the Bill. I looked at him, and I could see his opposition was nothing but hollow, dishonest and shallow. If the public have given their views, I challenge...

Hon. Speaker: Your time is up.

(Loud consultations)

Order! The Member for Malindi.

Hon. Amina Mnyazi (Malindi County, ODM): Ahsante Sana, Mhe. Spika. Mwanzo nachukua fursa hii kuwashukuru Wakenya. Wenzangu wengi wamesimama hapa na kusema tuwashukuru Wabunge wa Kamati ya Fedha na Mipango ya Kitaifa. Lakini mimi nimesimama kuwashukuru Wakenya. Kwa mara ya kwanza, tumeweza kuona nguvu na umoja wao. Tunapoungana na kusema *no* au kukataa jambo, halitapita.

Jambo la kwanza ni ushirika wa umma. Nasimama hapa kuupinga vikali Mswada huu wa fedha ambao umewasilishwa mbele yetu. Watu wangu wa Malindi wanapinga vikali maswala ya kuongezwa ushuru kwa mkate, *pampers* na *sanitary pads*. Tayari vile hali ya maisha ilivyo ngumu, wanasema hawataki tena kuona ushuru wa aina yoyote ukiongezewa. Sisi Waswahili tuna msemu kwamba: 'Unapopatiwa chakula, usije kusahau mpaka ukala ile sahani'.

Tulipokuwa tukijadili Mswada wa Fedha wa 2023, kulikuwa na mambo mengi ambayo tulikuwa tumekataa lakini hayo mambo yakapita. Ninavyoona, huu Mswada ulikuwa unataka kupitisha mambo mengi zaidi lakini safari hii, Wakenya walikuwa chonjo. Waliweka miguu yao chini na kukataa udhalimu ambao ungetendeka. Nawaomba wananchi kwamba kunapoitishwa vikao vya kutoa maoni kuhusu miswada – kwa kimombo, *public participation* – wajitokeze kwa wingi ili mapendekezo yao yasikizwe na kujumuishwa kwenye sheria zitakazoidhinishwa na Bunge la Taifa.

Kabla ya kuzungumza kuhusu huu Mswada tunaoujadili sasa, inafaa tuangalie Mswada wa Fedha wa 2023 uliweza kutusaidia kivipi sisi kama Wakenya. Tunafaa tujiulize iwapo gharama ya maisha ilibadilika, mazingira ya kazi yalikuwa mazuri kwa watu wetu na Mswada huo umeweza kutufikisha wapi. Tumetimiza malengo yetu na hio bajeti? Kuna vitu ambavyo tulipitisha kupitia Mswada huo, yakiwemo maswala ya Hustler Fund na Housing Levy. Tunapaswa kujua iwapoa tulitimiza malengo hayo.

Nikimalizia, Wakenya hawana shida na kulipa ushuru ninavyowaelewa. Uchungu wao sasa hivi tunapozungumza kuhusu bajeti ya trilioni tatu ni matumizi ya fedha hizo. Hiyo ndio maana tuliwaona vijana wetu wadogo wakienda barabarani kuandamana. Tatizo ambalo tuko nalo sasa hivi ni ufisadi. Tunapozungumza kuhusu ufisadi, fedha zote za bajeti hutoka kwa Wakenya. Tunaona ufisadi unavyoendelea. Mawaziri walio na kesi za ufisadi huwachiliwa. Mambo kama hayo ndiyo yanayozidi kuwatia Wakenya machungu. Walioshikana upande wa Serikali wakienda kwenye mikutano ya harambee, mtu aliye na mshahara sawa na wangu anachanga karibu Ksh30 milioni ilihali kuna vijana ambao hawana kazi wala shilingi. Kwa hivyo, tunataka marekebisho kuhusu jinsi pesa za umma zinavyotumiwa, na ufisadi umalizike hapa nchini Kenya.

Naupinga vikali Mswada wa Fedha, 2024.

Hon. Speaker: Hon. Rindikiri.

Hon. Mugambi Rindikiri (Buuri, UDA): Thank you, Hon. Speaker. I stand to associate myself with the Finance Bill as presented by the Departmental Committee on Finance and National Planning.

At the outset, I support the Bill because it has addressed some of the issues that I was looking for. The initial proposed Bill had a lot of issues that were detrimental to our population. The proposed Bill, as it had originally been presented, could not pass the test of time. However, having listened to what the Chairman of the Departmental Committee on Finance and National Planning has presented, I associate myself with his proposals.

We passed the Budget in this House. We cannot pretend that we are disassociating ourselves with that Budget now that the Finance Bill has come. The Finance Bill will address the supply part of the expenditure. The Budget Estimates addressed the expenditure. So, the two are inter-twined unless we go back and reverse the Budget Estimates that we passed, we suspend them and go back to the drawing board. The Bill has met all the requirements in terms of passage and verification by members of the public. Public participation has introduced elements that Kenyans have been asking for. I am, therefore, satisfied that a majority of the issues that have been brought up by members of the public have been addressed through the proposed amendments by the Committee.

As legislators, we are going to bring more amendments. I have noticed some anomalies in the Finance Bill as proposed by the Departmental Committee on Finance and National Planning. We will be taxing raw materials which local manufacturers use. I will bring an amendment to reverse that proposal. I have also seen the introduction of a levy on Treasury Bills. We will also bring an amendment to reverse that amendment. I want to tell the people of Buuri, whom I represent; that we will make sure we are in consultation with the Departmental Committee on Finance and National Planning. We will agree with them to delete the clauses that are detrimental to their expectations and pass the Bill because it carries more benefits to our people.

This Bill has passed all the legal requirements, including the Income Tax Act, the Value Added Tax Act, the Excise Duty Act, the Miscellaneous Fees and Levies Act, the Tax Procedure Act, the Affordable Housing Act, the Data Protection Act, the Public Finance Management Act and the Industrial Training Act. As we sit here, the Bill complies with the procedures of law-making. I note that the objective of this Bill is not to discourage investment. It addresses issues of how we will move the economy in the short-term, mid-term and long-term.

We are all talking about creating employment for our youths. We are talking about 'Made in Kenya' and 'Promote Kenya'. We are talking about taking care of our environment. All those things are contained in this Bill. We need to be careful not to trash a good thing with emotions because that is what I am seeing. The people of Buuri expect development, water, electricity and healthcare. I urge Hon. Members to put aside their bipartisan interest and support this Bill. Let us identify the good proposals and the bad proposals with a view to doing away with the bad ones. However, we cannot say that this Bill should be rejected in totality.

Hon. Speaker, I support.

Hon. Speaker: Next is Hon. Jackson Kosgei.

Hon. (Dr) Jackson Kosgei (Nominated, UDA): Thank you, Hon. Speaker. At the outset, I support the Bill. Historians have said that two things have made regimes rise and fall. One is the policy on fiscal planning of a nation, like the one we are interrogating through this Bill. Secondly, is national pride where the citizens of a country are proud to support and sustain their own country. While I commend the Committee for the good job done and, more so, for their resilience in following the legal processes and listening to the citizenry of this country, I persuade us to appreciate the fact that we have a cardinal role in the development of this country's budget by interrogating all the processes. We have a duty to produce a policy that

will support this nation. It appears that the debate today is gravitating around the Finance Bill as was presented. We seem to downplay the proposed amendments by our esteemed Committee Members. They have given us their version after receiving the contributions from the public.

I wish to conclude my remarks as I support this Bill by commenting, on a light note, on a comment that was made by one Hon. Member. It was a bit unnecessary and misleading comparison. This is because we are speaking not only to this august House, but also to Kenyans who are listening outside there. It is unnecessary to compare the 19th Century's dictatorial monarchs with our vibrant democracy, which gives us an opportunity to change Governments whenever we want every five years. I want to speak to Kenyans that there is an alternative to revolution and destruction of a country. We have the most vibrant democracy in the world, and not in Africa alone. I urge that we debate the Bill without personalising issues. Let us think about this country and its progress.

With those remarks, I support the Bill.

Hon. Speaker: Hon. Mawathe.

Hon. Julius Mawathe (Embakasi South, WDM): Thank you, Hon. Speaker, for giving me this opportunity to contribute to this Bill. I oppose this Bill.

The amendments that were tabled last evening are worse than what was previously in the Bill. The original Bill aimed at raising Ksh308 billion. The amendments that were tabled last night targets to raise Ksh386 billion. I know that a few tax proposal, like that on bread, were removed. We have never had taxes on bread. So, when you say that you are removing taxes on bread, you are just withdrawing your proposal. We are not doing any favour to Kenyans.

This Bill is punitive to *mwananchi*. The new amendment that was tabled last evening introduces a fuel levy of Ksh9 per litre. When you increase the cost of fuel, the prices of all the other commodities that are transported using motor vehicles will go up. The cost of living for the common *mwananchi* will go up. We have increased taxes on imported finished items. In most households, majority of the items, starting with cookers, television and other items which are not necessarily electronics, including in this room, other than wooden items, are all imported. So, we will increase the cost of living for the common *mwananchi*. I have heard a few people congratulate the Departmental Committee on Finance and National Planning.

I congratulate Generation Z for coming out in large numbers to express themselves. What is sad was seeing that they were arrested. They have the freedom to assemble. They have freedom of expression. They should be allowed to express themselves, and not necessarily to be arrested. Generations Z, X and millennials are yet to be registered as voters. You need to register them so that we can have the right people who will listen and side with *mwananchi*. You know what to do in 2027 to anybody who does not side with the *mwananchi*.

For the Generations Z, X and millennials who participated yesterday, the work is not done. The most important work happens tomorrow when we shall be voting as a House. You must continue to put pressure and not let off the item on the grass. You must sit there with a pen and paper, and if anybody votes to put a noose around your neck, you write down their name and declare that they must go home in 2027. Anybody who votes to finish you here by putting a noose on your neck tomorrow and finish Kenyans, you must have a list of them so that come 2027, they go home because we must have a Parliament that supports and stands with the common *mwananchi*.

With those remarks, I oppose.

Hon. Speaker: Hon. Mary Wamaua.

Hon. Mary Njoro (Maragwa, UDA): Thank you, Hon. Speaker, for giving me a chance to speak on the Finance Bill, 2024. I do not stand here to be told what to do by an elected Member like me, because I listen to my people. I am here to support the Finance Bill

with the proposed amendments by the Departmental Committee on Finance and National Planning

Secondly, allow me to appreciate the good work that has been done by the Departmental Committee on Finance and National Planning, which went around the country and conducted public participation. That exercise was not in futility. After public participation, they wrote this Report, incorporating the views of the people, who appeared before the Committee as corporates, professionals and businessmen, among other categories. Eventually, the Committee came up with many amendments, which we are waiting to see moved in the Committee of the whole House. We are aware of some of the amendment because members of the public have interest in a majority of them. For instance, on the VAT on bread, there is a proposed amendment to remove it. The Excise Duty on vegetable oils and the 2.5 per cent tax on motor vehicles are also areas of concern to Kenyans.

I may not be able to mention all the areas of concern but, I cannot forget to note that there is a proposed amendment from the Committee to remove the proposed Eco Levy on locally manufactured products like sanitary towels, diapers, phones and car batteries, among other items. Those proposals are a response to public outcry on some of the areas that the Members of this House are talking about. Some of the amendments will boost our local manufacturing industries, and we highly recommend them because they will ring-fence the markets to our farm produce. Agriculture is the backbone of this country's economy. It will also create employment and enhance inspection and supervision of locally produced goods to ensure quality.

Hon. Speaker, I do not agree with the Members who have said that this is too little, too late. Our work in this House is to make laws and amend existing ones. As the peoples' representatives, we should advise them accordingly; that, during the Committee of the whole House, we will look at the Finance Bill clause by clause – and that it is during that time that we can introduce amendments – instead of inciting people to demonstrate on the streets. The demonstrations have made some members of the public to sleep in police cells, and others have been hurt. That shows that we do not trust the responsibility that has been given to this House to amend laws. The proposals by the National Treasury were discussed by the Departmental Committee on Finance and National Planning. It is now our turn to make sure that we propose amendments to any clause that we need to amend so that we discuss it here. By the end of it all, the Finance Bill 2024 will address all the areas of concern to our people.

As much as some Members are saying that they oppose the Bill, if we go by what they propose, they will eventually be the first ones to again raise the questions of salary increments and stalled development projects. Therefore, as we contribute to this debate, let us not be populist.

Hon. Speaker: Hon. Wamaua, your time is up. Hon. Mark Nyamita is next.

(Loud consultations)

Order, Hon. Members! You are all equal. Go on, Hon. Nyamita. Give him the microphone.

(Hon. Raphael Wanjala stood in his place)

Hon. Speaker: Hon. Wanjala, you will speak. Hold your horses.

Hon. Mark Nyamita (Urii, ODM): We are in a House of order, Mheshimiwa.

Hon. Speaker is the presiding officer. Thank you, Hon. Speaker, for giving me an opportunity to contribute to this Bill.

(Hon. Raphael Wanjala spoke off the record)

Hon. Speaker: Hon. Wanjala, I am sure that if it was you, you would be happy. I will give you a chance. I appreciate your resilience today.

(Loud consultations)

Hon. Mark Nyamita (Uriri, ODM): Hon. Speaker, protect me. I need to be heard in silence. Any reasonable Member of Parliament would object to this Bill as presented on the Floor of the House. This is because there is no way our colleagues on the Government side would sit here and agree to some of the proposals in this Bill.

I will begin with sugar-cane transporters. I come from a sugar belt area. We cannot charge VAT on transport and yet, most of the roads, if not all, are murram ones that are not maintained. You cannot say that those who use the roads destroy them. We are, sometimes, lucky that the factories themselves repair them.

There is also taxation of bread. Many Members do not eat bread not because they cannot afford, but because they have other alternatives, or they seek healthy types of foodstuffs other than bread. However, the common man relies on bread as a staple food. So, trying to tax it is completely out of this space.

The proposal on motor vehicle tax based on its value does not make sense. Someone who drives a Toyota Probox and one who drives a Toyota Land Cruiser V8, like many Members here do, utilise the same space and apply the same weight on the road. If you tax them on value, it would be disproportionate. Therefore, this does not make sense.

The proposed tax on vegetable oils would have tremendously increased the cost of food for the common man. So, any reasonable Member in this House, regardless of which side of the House one sits, would definitely oppose this tax. Though the Eco Levy is very progressive, the way it has been inserted into this Bill does not make much sense. We need to impose it only on finished products that are being brought into the country. I am happy because many Members have agreed with this and will oppose the threshold for VAT registration.

Over the last month, I have brought young people together in my constituency to try and give them NG-CDF projects. Some of them have registered organisations for the first time. Compelling them to register so that you can tax them did not leave them with any money because we put very little money into our projects.

Having said that, I urge my colleagues that this 13th Parliament must stand to be counted. We have a more enlightened public. I commend the Committee for its extensive public participation. I have seen in their Report that they had to add a few more days for people to give their views. How I wish that in the next Bill and all others, we can extend it not only to Members of the Committee, but also to the whole House so that Members can caucus on specific Bills that require a lot of input from the people!

Anyone who believes this Bill is not right must come to the Floor of the House, including myself, to propose and support the amendments that will make it more responsive to the people's needs instead of opposing it. I will be in this House to propose my amendments that favour *mwananchi* and support the ones that will be brought in that favour.

Thank you, Hon Speaker. I submit.

Hon. Speaker: Hon. Malulu Injendi.

Hon. Malulu Injendi (Malava, ANC): Thank you, Hon. Speaker. Despite receiving many messages and calls advising me to reject this Bill, I rise to support it.

One of the callers is a young man who is my neighbour. He told me he had read so much on social media and felt I should oppose the Bill. I asked him why I should oppose it. He told me that the price of bread had increased from Ksh45 to around Ksh90. I asked him what

type of bread it was. He told me that it was a 400 grams bread. I told him to go to the shops to find out how much it was. I noted that there was a lot of misinformation to our youth, the so-called Generation Z, and that has caused them to riot in the streets.

I support this Bill because of the direction this country is now taking – that is consuming locally produced products. It allows local producers to manufacture the products we usually import. This will improve the economy and create employment in our country.

I am saying this because we have the Eco Levy. It discourages the importation of finished products and encourages local production. There is also a tax on clinker from outside the country to encourage our local production. When this happens, most of the people who will benefit are the youth who are demonstrating in the streets and being misinformed. Most of them will be employed. They will not be idle in the streets. They will be vulnerable as they are being used by some people and leaders in this country to push their agenda.

I see a situation in this country where we want to take off. I recall we were at the same economic level as countries like Malaysia and Singapore. They took this route, took off and are far away from us in terms of industrialisation. This is the right route to follow. I advise Kenyans to be patient with this country. If they want to know that we are on the right track to development and our benefit, they should see what has happened. Previously, the price of bread was very high when the Government took over. The price of maize and flour was so high. Those prices have come down because of the policies this country is embracing. All that we are crying over will stabilise if the *wananchi* give the leadership of this country some time.

I appreciate the Chairperson of the Departmental Committee on Finance and National Planning. There was an issue with e-TIMS invoicing. I am a host of two sugar-producing factories in my constituency. Butali Sugar Mill and West Kenya Sugar Factory. Directors of the two factories came to my home complaining about what eTIMS means to farmers. They argued that it would be double taxation to farmers if they did this. The cost will be pushed over to them. The whole process of developing eTIMS was a cumbersome one. Most farmers who are illiterate could not manage. I appreciate the Chairperson because when I called him, he asked me to tell them to come and make their presentations. They did. I am happy.

I want to tell farmers that e-TIMS has been struck off. The tax on transport of cane from farms to factories has also been struck off. This cost could have been passed over to farmers. I am telling the people of Malava, who I represent, that there is no need for me to reject this Finance Bill. It is the best for us as a country. We have also asked for so many things. I remember when the Cabinet Secretary was making a presentation on the Budget here. We applauded for many things like electricity connections, because they are good for us. This is the moment to raise funds for those connections to our villages.

Otherwise, I support. Thank you, Hon. Speaker.

Hon. Speaker: Hon. Katana Kahindi. Give him the microphone.

Hon. Paul Katana (Kaloleni, ODM): Ahsante Mhe. Spika kwa kunipa nafasi hii.

Kwanza, nawapongeza Wakenya wote waliojitokeza jana kuandamana ili kutoa hisia zao kuhusu Mswada huu wa Fedha wa 2024. Pia, nawapongeza wote walioshikwa wakitetea haki yao. Hao ni mashujaa tulionao wa karne hii. Napinga Ripoti na huu Mswada wa Fedha wa 2024 kwa sababu kadhaa.

Hatuwezi inua uchumi wa nchi kwa kutoza ushuru peke yake. Tunafaa kujiuliza mazingira tuliyoweka kusaidia mwananchi apate pato ndiposa aweze kutoa ushuru. Jibu ni kuwa hatujaweka njia mwafaka ya kusaidia watu wafanye biashara. Mapendekezo ambayo yamefanywa na Kamati ya Kiidara ya Fedha na Mipango ya Taifa kuondoa ushuru wa mkate walivyokuwa wamependekeza ni kwa sababu Wakenya walisimama na kusema hawataki hayo. Ndipo wamekuja kusema kuwa wameleta mapendekezo. Wamepanga haya mapendekezo lakini hayako katika Mswada wa Fedha wa 2024. Haya mapendekezo yanawezapita ama yasipite. Yasipopita, tutafanya vipi na tayari mpendekeza ushuru uongezeke? Tumesema

tunataka kufufua viwanda. Utafanya bei ya simiti ipande maradufu ukiongeza ushuru wa malighafi, hasa kwa makaa ya mawe.

Serikali hii ilikuwa inasema kuwa inatambua mtu wa boda boda na mama mboga. Huyu mama mboga yuko wapi kwa hii Bajeti? Huku unasema umeondoa kuongezwa kwa ushuru wa mkate na ushuru wa tahiri, lakini hapo hapo umemuongezea bei ya mafuta. Ukipandisha bei ya mafuta, gharama ya bidhaa zote muhimu itapanda; ukiongeza bei ya mafuta, boda boda na mama mboga ambao mliwatumia wakati wa kampeini zenu mmewaweka wapi?

Wakenya wamechoka kutozwa kodi kiholela. Hii nchi sio kwamba haina pesa. Ufisadi umekithiri katika tasisi zote hapa nchini. Ni lazima tutafute njia ya kufunga mfereji wa ufisadi. Na ufisadi uko kila mahali. Wakenya wanaona pesa zao zinatumiwa kiholela. Hauwezi kwenda kwa harambee na ukatoe Ksh30 milioni. Unapata mshahara wa shilingi ngapi? Ndio Wakenya wanajiuliza. Ni lazima tufunge hii milango ambayo pesa inapotea kiholela.

Wakenya hawajakataa kutoa ushuru. Tujiulize ile sheria tuliopitisha hapa ya mwaka 2023/204 ya kifedha je, tumefaulu na yale malengo ambayo tulikua nayo? Jibu ni, hatujafaulu. Nataka kumnukuu Rais William Samoei Ruto. Alisema watu waishi kadri na mapato yao. Vile vile, ni lazima hao watu wakatiwe kodi kulingana na mapato yao. Hatuwezi kuongeza kodi kila wakati na wengine wanatumia pesa hiyo kujiendeleza na wengine wanazidi kua maskini. Nasimama hapa kwa niaba ya watu wa Kaloleni kupinga Mswada huu kwa sababu hausaidii

Hon. Speaker: Mbunge wa Ganze.

Hon. Kenneth Tungule (Ganze, PAA): Ahsante Sana, Mhe. Spika kwa kunipatia nafasi hii niweze kupeana maoni yangu kuhusu huu Mswada wa Fedha 2024/2025. Mimi pia ni kati ya wale Wabunge ambao wametumiwa jumbe nyingi sana na wakaazi wa Ganze wakiniambia niupinge Mswada huu kwa sababu hauwafai. Wengi wa wale ambao wamekua wakinitumia jumbe nimekua nikiwauliza ni vipengele gani katika Mswada huu ambavyo wanaona viko na shida. Ni wachache ambao waliweza kunitumia jumbe wakiniambia kuna vipengele fulani fulani ambavyo wanaona vina shida na wangetaka viondolewe ama virekebishwe ama Mswada huo uweze kukataliwa kabisa.

Kipengee kile kilikua na utata kabisa ni kuhusu ile kodi kwa mkate na mimi pia nilikubaliana nao. Mkate ni chakula ambacho kinatumia na watu wengi sana haswa wale wa mapato ya chini. Kwa hivyo, kwa upande huo, nilikua nakubaliana na watu wa Ganze wakisema ni lazima kodi ya mkate ipunguzwe.

Kodi ingine ambayo ilikua inaleta utata ni kodi ya magari. Waliniambia katika hizo jumbe walikua wanatumia kuwa ushuru wa magari ungefanya wenye magari walipe pesa nyingi sana na hiyo ilikua inaleta utata.

Eco Levy ambayo ilikua inapandisha kodi ya *sanitary pads* na *diapers* hiyo pia nilikubaliana na wakaazi wangu. Niliwaambia kwamba nitatumia nafasi hii yangu nihakikishe ushuru huo umeondolewe katika huu Mswada wa Fedha.

Na naipongeze Kamati ya Idara ya Fedha na Mipango ya Kitaifa ya Bunge ambayo ilikaa ikaondoa vipengele vingi ambavyo vilikua na utata. Yale mambo ambayo Serikali imepanga kufanya katika maeneo bunge yetu kwa mwaka huu wa kiserikali unaokuja ni mengi, na Wabunge wote wanastahili kuyapigia upatu. Kwa mara ya kwanza, tunaona kuwa mgao wa *National Government Constituency Development Fund (NG-CDF)* umeongezeka kwa kiwango cha milioni 30. Pia, kwa mara ya kwanza, tumeona kila eneo bunge likipata mgao wa usambazaji wa stima. Tumeona pia kwa mara ya kwanza kaunti zetu zikipewa takriban bilioni 15 za ziada, na hii yote ni pesa ambayo itapeleka maendeleo kule nyanjani.

Kufikia sasa, yale mambo yaliyokuwa na utata katika huu Mswada yanaonekana kurekebishwa. Kwa niaba ya wakaazi wa Ganze ambao wanapenda maendeleo, tunafurahia kwamba tutapata stima na pia shule zetu nyingi bado zina wanafunzi wanaosoma chini ya miti, na pia kuna wanafunzi wengi wanaosoma katika madarasa ambayo yamejengwa kwa udongo.

Hii inamaanisha kwamba tukipata mgao wa NG-CDF zaidi, tutawashughulikia hao wanafunzi ili waweze kupata mazingira mazuri ya kusoma. Pia, inamaanisha kuwa *bursary* zetu zitaongezeka na wanafunzi wengi wataenda shule.

Nikisimama hapa, naunga mkono Mswada huu wa Fedha wa 2024, na pia naunga mkono marekebisho yale Kamati imeleta Bungeni. Nina imani tukiwa Wabunge hapa, tuko katika *forum* sahihi kuleta mabadiliko zaidi. Kwa hivyo, hata wale wajumbe wenzangu ambao bado wana shida na huu Mswada, nafikiri hii ndio *forum* ya kuleta *amendments* ambazo wanafikiri ziko sawa ili tuboresha Mswada huu ili uwe nzuri zaidi na tupeleke nchi yetu mbele.

Kwa hayo machache, naunga mkono lakini na marekebisho. Ahsante.

Hon. Speaker: Hon. Kwenya Thuku.

Hon. Kwenya Thuku (Kinangop, JP): Thank you for giving me this opportunity to speak on this very important Finance Bill. At the outset, I support the recommendations by the Committee on the areas they want to firm up and bring amendments so that they are in tandem with the realities that we face in this country. Of course, we have had a serious public outcry, some that we were misled and misinformed. As Members of Parliament, we have a responsibility to do nothing but to tell our people the truth regarding our role.

At the outset, the Finance Bill is about the proposals by the National Treasury on how they want to raise money so that our Budget can be financed. The Finance Bill, as presented by the National Treasury, is not cast in stone. Therefore, this House has a responsibility to enrich and remove areas that we feel are not favourable to our people. As the Member of Parliament for Kinangop, I am happy that this area of concern has been addressed.

We are opening up our boundaries to our neighbours who are Members of the East African Community, exempting agricultural imports to come to this country to compete with our local production. I am happy with the Committee's Report recommending that the same be reinstated so that any importation from the East African Community, especially potatoes, must have a duty. This will ensure that we do not subject our farmers to unfair competition because some neighbouring countries enjoy competitive and comparative advantages. Potato production in one of our neighbouring countries is low, but they have a good climate, which we do not have. Therefore, subjecting Kenyan farmers to the same level as our neighbours is killing them. I want to say emphatically that I am grateful that the Committee found it worthy to reinstate that levy.

Hon. Speaker, it is unfortunate that there is a lot of sensation on this matter. To the extent that our children are in the streets talking about a document they know nothing about, because they have been misled by the hype on social media. So, it is high time that Members of Parliament acted in an honourable manner and informed their constituents what a Finance Bill entails.

In its wisdom, this House passed a budget of Ksh4 trillion. When it comes to finding ways of raising funds to the tune of Ksh300 billion to finance projects in the Budget related to electricity, education, health and agriculture, I hear dissenting voices from those who supported the Budget. They are on the other side, saying they will not support the Finance Bill. They want to hear how we will collect money to finance our affairs. It is about time we stopped hypocrisy. There is a lot of it in political leadership, and I want to call out the leaders who speak from both sides of their mouths.

I support the Report, but not as it is. As we progress to the Third Reading, I believe the proposed amendments will suffice, and we will give Kenyans a Finance Act that will serve them for the next financial year.

Thank you, Hon. Speaker

Hon. Speaker: Thank you, Hon. Thuku. Some Hon. Members are still asking me when they should file their amendments. I want to repeat: Please file them in the relevant office before 1.00 p.m. tomorrow. Hon. Gitonga Murugara, proceed.

Hon. George Murugara (Tharaka, UDA): Thank you very much, Hon. Speaker. I have waited patiently, and this is evidence that what we are doing here is very important. Let us continue being patient so that we can dispose of this important business of the House - the budget-making process. I want to begin by saying that I support the Report by the Departmental Committee on Finance and National Planning.

I also support the Finance Bill with the proposed amendments for three reasons. First, we have to be faithful to Article 118 of the Constitution on public participation. We are happy because, after public participation, the Committee incorporated the suggestions that were made by members of the public on what ought to be removed or amended in the Bill. This is extremely important. We might not incorporate everything that was proposed by the public, but this shows that we take into consideration what they say. This is an honour to the people of Kenya.

According to our courts, public participation should not be cosmetic. It should be real and practical so that everybody who participates feels appreciated. This is why there is no yardstick to measure what constitutes sufficient public participation. It is just considering the views of the public.

The proposed amendments to the Finance Bill are important because we must have a Finance Act for the Financial Year 2024/2025. I do not agree with the proposal that we should reject it entirely because it has both negative and positive effects on the people of Kenya. I propose and urge Members to agree that at the Committee of the whole House, these proposed amendments by the Committee and whatever else is going to come from Hon. Members of Parliament is extremely important and should be looked into with a toothcomb so that we either pass them reasonably or reject them reasonably.

Now, what are the Committee's proposed amendments that are very important? The VAT on bread is out, the VAT on sugar-cane transportation is out, the VAT on electronic money transfers or transactions is out, and many others, including the 2.5 per cent motor vehicle tax.

Similarly, the eco levy on some of the imported finished products will remain. However, it is very important for locally manufactured goods to spur up industry and growth, so we will have a tax exemption.

We also have many other positives, including the tax on pensions, which has now increased from Ksh20,000 to Ksh30,000. We also have Ksh18 billion, which is supposed to assist the Government in employing Junior Secondary School (JSS) teachers on permanent and pensionable terms. This is very important.

Our NG-CDF and NGAAF have all been increased, which is very important. Therefore, on behalf of the people of Tharaka Constituency, I will urge them to support the Bill. We will make all the necessary amendments to protect their interests. At the same time, we will be on standby and guard against corruption so that none of this money is pilfered or lost through corruption. Like all the other constituencies in Kenya, we will also be demanding our fair share of development from monies that are raised in these taxes.

With those remarks, I beg to support.

Hon. Speaker: Hon. Salasya.

Hon. Peter Salasya (Mumias East, DAP-K): Hon. Speaker, I rise to oppose this Finance Bill on the following grounds. Number one, I think there is a very big problem in this nation. You will note that when we did the Finance Bill of 2023, even the Kenya Revenue Authority (KRA) could not raise the amount that they targeted of around Ksh300 billion. However, Members of the Kenya Kwanza have decided to move on and even bring in some

more amendments without asking serious questions. Why did we not collect enough money during that period?

The question that these Members of Parliament of Kenya Kwanza are not asking themselves is about the timing of this Finance Bill. It is not good and does not show a good picture of this nation.

I have seen the President of Kenya travel the world trying to attract investors. Yet, you will realize that whatever is happening in this country is being broadcast virally to the entire world. This shows that Kenya is a country that cannot be predicted when it comes to taxation.

Members of Parliament, you will note that most of our people are not happy out here. Those people elected us to represent them. By going ahead and imposing more taxes on digital content creators and yet, that is the only area that most of the young people that do not have the job opportunities are leaning on, is very unfair.

It is high time we returned to the Budget we made as Members of Parliament. You will realize that we did not scrutinize it. The President said we should live within our means and, indeed, even Parliament. I want to thank the Hon. Speaker and the Clerk of the National Assembly. We are no longer traveling across the world the way we used to go and learn. Even the budget of Parliament is only Ksh400 million or something. The Office of the Prime Minister Cabinet Secretary is about Ksh1 billion plus something. The Office of the Deputy President is Ksh1.4 billion. The Office of the President is Ksh4 billion. The State House is Ksh7 billion. Is that what you mean by saying we should live within our means?

Hon. Kuria Kimani (Molo, UDA): On a point of order, Hon. Speaker.

Hon. Speaker: Order, Hon. Salasya. There is a point of order from the Hon. Chairman of the Committee. Yes, Hon. Chairman? What Standing Order?

Hon. Kuria Kimani (Molo, UDA): Hon. Speaker, I rise under Standing Order 91. Is it in order for my good friend Hon. Salasya, and I hate to interrupt him, to mislead the House?

Hon. Speaker, the reason there has been a lot of noise, especially on social media platforms, is a misconception that taxation is being introduced on digital content creators. To put this matter to rest, Clause 7, Page 555 of the Bill, talks about a resident or a non-resident person, being the owner or operator of a digital marketplace or platform, makes or facilitates payment in respect of digital content monetisation, goods, property or service. The amount, therefore, shall be deemed to be income accrued in or derived from Kenya. This taxation targets the big tech companies on the digital platforms that generate their income from Kenya without paying a cent.

(Applause)

Organisations like Netflix, Google and Facebook generate income in Kenya, but do not pay taxes in this country. Therefore, they will need to pay taxation for the income they generate from Kenya, but not the Kenyan people who generate income from those particular platforms.

Hon. Speaker: Thank you.

Hon. Peter Salasya (Mumias East, DAP-K): Hon. Speaker, I was trying to highlight some of the things that have created a lot of emotions. You realise that this country is not being managed right. Why do you want to play with the minds of Kenyans? Why do you introduce taxation on the transportation of sugar-cane? Why do you introduce taxation of 16 per cent on bread? If you want to attract the emotions of the Kenyans and then retreat, you have a different agenda. I want to ask this House to reject this Bill, go back to the Budget, and start from scratch.

This matter of bringing another new Finance Bill when Kenyans are still struggling with the previous one is not right. We Members of Parliament are doomed! I am telling you, we are doomed! *Watu wa Kenya Kwanza mmenisikia?*

(Laughter)

Hon. Speaker: Hon. Salasya, there is a finance bill every financial year. It is, therefore, good for you to know it as well. I am just informing you. Hon. Justice Kemei.

Hon. Justice Kemei (Sigowet/Soin, UDA): Thank you, Hon. Speaker, for allowing me to add my voice to the Finance Bill. My patience was being tested.

Hon. Speaker: Speak with a little life, Hon. Justice Kamei.

Hon. Justice Kemei (Sigowet/Soin, UDA): Hon. Speaker, I was saying my patience was being tested but, at least, I have gotten the opportunity. I have been here since 9.30 a.m. It reminded me ...

Hon. Speaker: Hon Justice, stop complaining; I have also been sitting here from 9.30 a.m..

(Laughter)

Hon. Justice Kemei (Sigowet/Soin, UDA): Thank you, Hon. Speaker. I want to support the Finance Bill. I do so without fear or favour. Since the Finance Bill was published, the people of Sigowet/Soin Constituency have engaged me, and I have responded to all their concerns. I am happy that the Departmental Committee on Finance and National Planning recommendations address many of the concerns that have been raised by the people of Sigowet/Soin Constituency.

In particular, they were against the 16 per cent VAT on bread, 2.5 per cent taxation on motor vehicles and 18 per cent on edible oil. They also told me to oppose the 18 per cent tax on financial services.

Now that most of those concerns have been addressed, I support the Bill. In particular, this is where we will get money under NG-CDF to support the people, especially to increase bursaries so that children from poor families can get an education. In particular, we will receive money through the NG-CDF and, in turn, increase the bursary allocations so that children from poor families can go to school. We will also receive funds for rural electrification. The last-mile program is important to me, and I frequently discuss it with my constituents. The Ksh50 million allocated to each constituency through the last-mile program will greatly help ensure that our people have access to electricity.

In addition, my constituents grow sugar-cane. They are owed money by Muhoroni Sugar Company, West Sugar Limited and Chemelil Sugar Company. This Budget has set aside funds to settle those outstanding payments that those companies have withheld for a long time. I also hope that the workers in those companies will receive their payments which have been overdue for long.

Finally, concerning the JSS teachers, we have allocated funds for those who participated in the internship program. They will now be hired as permanent and pensionable employees. The TSC should refrain from terminating the employment of the teachers who went on strike to demand their rights. Instead, TSC should be considerate enough to withdraw the show-cause letters. Twenty-eight teachers from Sigowet Constituency received show-cause letters. I urge the TSC not to dismiss them as they were exercising their rights within the bounds of the Constitution.

With those remarks, I support.

Hon. Speaker: The Member for Turkana South.

Hon. John Namoit (Turkana South, ODM): Thank you, Hon. Speaker, for allowing me to contribute to this Bill.

I appreciate the Constitution of Kenya 2010 for empowering Kenyan citizens to participate in policy-making. The Government has a duty to present the Budget and the Finance

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Bill, two major policies that are used to fulfil its promises made during the 2022 campaigns. As Members of Parliament, we are responsible for participating and ensuring that our constituencies are represented in this policy-making process. The Budget and the Finance Bill are political tools that allow all stakeholders to negotiate. Despite being on the Opposition side, I am interested in these two policies.

I have reservations about the exemptions for per diems in the Income Tax Act. Exempting certain employees from the 5 per cent tax seems discriminatory because anyone earning Ksh100,000 or more will not have to pay tax on their per diem. This is discriminatory. For instance, for somebody in Job Group J who earns Ksh58,000, the exemption will be Ksh.2,900. The per diem is Ksh6,300 and, therefore, what is taxable is Kshs3,400. I request the Members of this honourable House to exempt all the employees from this tax. This country has failed in fiscal consolidation. All their policies have not addressed the fiscal deficit for a number of years. Therefore, there is a need for the Government to have plans or policies that are always consistent, instead of changing the taxation measures every time.

There is something on the Digital Services tax that has been replaced with the Significant Economic Presence Tax at the rate of 30 per cent on 20 per cent deemed profit. What is the standard for measuring the so-called deemed profit? This is what needs to be highlighted and addressed so that we do not just say 20 or 30 per cent is deemed profit. We need to have a standard.

On VAT, when I transfer property or assets at a certain price, there is a valuation for that particular business or asset. So, the difference between the transfer price and the valuation must be the capital gains that you are exempting from taxation. Last year, we had...

Hon. Speaker: Thank you. Your time is up. The Member for Sirisia Constituency. Hon. Members, you have five minutes.

Hon. John Koyi (Sirisia, JP): Thank you, Hon. Speaker, for allowing me to contribute to this Bill. From the onset, I want to support the Finance Bill. I support it because it carries almost everything. We cannot reject the Bill in totality because Kenyans must learn to pay taxes. If we do not do so, the country will be forced to borrow from outside. Currently, Kenya has a huge debt because of borrowing. The Government is trying to make this country self-reliant so that we can generate our income to avoid debts. We must pass this Bill.

Hon. Speaker, the Committee has dealt with many contentious issues, like the taxation on bread and motor vehicles, on which the public made a lot of noise. If we reject this Bill in totality, we will be rejecting the development of this country and bursaries for our children. If we reject this Finance Bill, we will be denying our sisters and brothers who are sick in hospitals a chance to get medicine. As Members from both sides continue to speak, let us remember that this country belongs to all of us. When President Ruto got into power, the economy of this country was in ICU. We can now see some development. Some of us in the Opposition want to oppose everything, but let us be considerate and put the country first. In other developing countries, people put their country first when they have a similar Bill. Therefore, we are also requesting that we put our country Kenya first.

I want to comment on the KRA issue. The KRA is not collecting enough revenue. There was a time when we gave them money to employ people to collect enough taxes. However, they have not met their target as the Government and Kenyans expected. We are putting the KRA on notice by warning them that they must collect enough resources to meet the target we need for the Budget.

Hon. Speaker: Hon. Gisairo.

Hon. Clive Gisairo (Kitutu Masaba, ODM): Thank you, Hon. Speaker. In the book *Dust*, written by Adhiambo Owuor, the foreword by Nanjala Nyabola states that Kenya has three official languages: English, Kiswahili and silence. I stand here to oppose this Bill. Many on that side are telling us that the funding of the Appropriations Bill is subject to the Finance

Bill 2024. There is nothing further from the truth. There is a Finance Act. Therefore, the country goes on whether this Finance Bill flops or not.

This Finance Bill has some draconian measures. It allows KRA to access peoples' M-PESA accounts without going to court. We are going to make every Kenyan move to cash transactions. While we need to support local industries, the eco levy is not the way to go. My little daughter Iranzi needs diapers, which I can afford. Sadly, Kerubo in Kitutu Masaba, whose husband mines sand in the quarry, cannot afford it. The cheapest option they can get is what they need for the child's cleanliness. Millions of girls do not have sanitary towels. The cheapest they can get is what we should afford, whether imported or local. We should not make it any more expensive.

Hon. Speaker, competition brings costs down. If our local manufacturers cannot up their game, it is not our business to try and protect some few individuals for selfish interests. When the Whip of the Majority Party spoke in the morning, he correctly stated that I am a chicken farmer and produce eggs. This is very true. However, imposing import duty on table eggs is where we get it wrong. We get it wrong because we have decided to split eggs into two - table and fertilised eggs. If I give you two eggs, you will not know which is a table or a fertilised one. You are protecting a few people who will purport to import fertilised eggs, but will import table eggs. The import duty should be on all. Let the one who is hatching claim a refund after proving and showing the chicks.

The Committee went around and collected the views of the silent millions of Kenyans. They came with a bulky document proposing to amend most of their mess. But with one stroke, they told Kenyans they had saved them billions. Again, they get into the pockets and take even more. They have introduced a Road Maintenance Levy in the fuel of Ksh7. There is also 2.5 per cent motor vehicle tax that they had initially charged in the main Bill. The minimum was Ksh5,000 with a cap of Ksh100,000. This changes because you will now be paying Ksh7 for every litre of fuel. The cheapest jalopy will, at minimum, use an equivalent of Ksh5,800 in a year.

Hon. Speaker: Your time is up. Hon. Makilap.

Hon. Joseph Makilap (Baringo North, UDA): Thank you, Hon. Speaker. First, I declare I am a Member of the Departmental Committee on Finance and National Planning. I rise to put the record straight. The original Finance Bill is a creation of the national Executive. Where do these proposals come from? They likely come from the National Treasury and Kenya Revenue Authority (KRA). When it is committed to this House, it is the duty of the Members of Parliament, as the representatives of Kenyans, to interrogate it. That is why there is the Executive and Parliament, which represents Kenyans.

When a law is passed in this House, it does not affect people who voted for Azimio la Umoja-One Kenya Coalition Party or Kenya Kwanza Coalition. It affects Kenyans across the board. I have moved from the original Bill. If we vote for it, all of us in this House - including Members of the Departmental Committee on Finance and National Planning - will oppose it. Our Constitution gave us separation of powers. Parliament will sort out and protect Kenyans from the excesses of the Executive. To set the record straight, the Finance Bill has been there since I was young. I would watch Parliament when a minister would come and say: "This is going to change beginning midnight tonight. "That was the Finance Bill.

When Kenyans write to us saying we should reject the Finance Bill, our response to most of them is the clause they want us to reject. Our sitting down for 14 days as Members of the Departmental Committee on Finance and National Planning and listening to professionals and Kenyans was not an exercise in futility. We listened to Kenyans. Another process, the budget-making process, was going on as we listened to Kenyans. It is demand and supply. Demand has continued to rise in this country. That is why the Government is coming up with a proposal for a Budget of Ksh4 trillion.

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In the words of Hon. Junet Mohamed, most Members of this House, across the board, rose to say: "This is the best Budget because it adds money to constituencies and pays for the confirmation of Junior Secondary Schools (JSS) teachers." That is when these proposals were brought to this House. They rose in this House to support all budgetary proposals. Then it got to the Committee of Supply. Where do we get money to supply the demand? We get it through ordinary revenues that increase to Ksh2.7 trillion and yet, we have a Budget of Ksh4 trillion. How do we fix the demand for employment, roads, infrastructure and electricity? How do we fix the demand facing the people of Kenya? We fix it by ensuring that there is enough supply. This supply should not fix the people of Kenya. That is why the Committee listened to Kenyans and said that VAT on bread and the motor vehicle tax had to be removed because they are not good. We amended many sections that we felt were punitive to the people of Kenya. We have brought to this House a report that gives a fair tax regime to the people of Kenya.

Hon. Speaker: Time up. Hon. Martin Owino.

Hon. Martin Owino (Ndiwa, ODM): I appreciate the time. As a representative of the great people of Ndiwa Constituency and, by extension, the whole country that is suffering under the yoke of the Finance Bill 2023, I oppose this Bill. The effects of the 2023 Finance Bill still weigh on our people. I am not sure where my colleagues represent. However, some kids in my constituency go to bed and school while hungry, even as we brag about the price of *unga* going down. The number of school dropouts has gone up because parents cannot afford fees or tuition. This has resulted in mental health problems. Statistics today say that one in four in this country is suffering from mental health. It is only that they have not reached the manifestation stage. Colleagues, one in four may be brewing up for mental disease even as we are here. Joblessness is up. People are full of the frustrations, poverty and diseases that we promised to eradicate at Independence.

More important is the crude death rate that we are observing across the communities, however much we gloss over it. People are just dropping dead and being taken to the morgue. It has become very rampant because we are over-burdening Kenyans with taxes. Hon. Speaker, the problem is not that Kenyans are not paying taxes, but that the Government is lavishly spending beyond its means. At one point, I was very happy to hear that the Kenya Kwanza Government would cut its coat according to its cloth. We do not know where that went. We know that if we want more, we should pay less taxes. That is how you stimulate an economy. The idea that Kenyans are not paying enough tax and that if this Bill does not pass, there will be no development is false. Kenyans are over-taxed.

Other countries have implemented Innovation Tax Compliance (ITC), which has three pillars. First, you must develop trust between tax administrators and taxpayers. That is where we must eliminate wastage, theft and direct wrong utilisation of funds. The second pillar is tax enforcement. We have to invest in that to seal all the tax evaders. We will collect more taxes than adding taxes to Kenyans. Third is facilitation, the mechanisation of those taxes.

They are telling us that they propose to remove tax on bread, edible oil, mobile money transfer, motor vehicles, sugar-cane transportation and diapers and yet, they are the ones who collected the views from the public. Why did they not put it in the Bill? You are lying, and Kenyans are listening. Those children you are referring to are informed. Do not say they were misled. If you say so, you are the one who is lost.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you. Hon. Mary Maingi.

Hon. Mary Maingi (Mwea, UDA): Thank you, Hon. Speaker, for allowing me to contribute to this very important Bill.

The invention of the internet has changed the way we communicate and do business. It is unfortunate that some of us are using the same social media channels to mislead a gullible public and incite Members of Parliament.

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Hon. Speaker: Are you stuck?

Hon. Mary Maingi (Mwea, UDA): Thank you, Hon. Speaker. Allow me to inform colleagues who might not have read the Report by the Departmental Committee on Finance and National Planning and the Finance Bill 2024/2025. I laud the Departmental Committee on Finance and National Planning for listening to Kenyans and agreeing to drop the contentious issues. They are as follows:

1. 16 per cent Value Added Tax (VAT) on bread will be removed;
2. Excise duty on vegetable oil will be removed;
3. VAT on transportation of sugar-cane removed;
4. 2.5 per cent on motor vehicle tax removed;
5. No increased taxation on mobile money transfer;
6. VAT on financial services and foreign exchange transactions removed; and,
7. Eco-levy on locally manufactured products like sanitary towels, diapers, phones, computers, tyres and motorcycles removed.

The value-added tax registration threshold increased from Ksh5 million to Ksh8 million, reducing the need for small businesses to register. Responsibility of electronic invoicing e-TIMS by the KRA has been removed for farmers and small-scale businesses with a turnover of below Ksh1 million. Excise duty on alcoholic beverages will be based on alcohol content, not volume. Higher alcohol content will attract more duty. Pension schemes exemption increased from Ksh20,000 to Ksh30,000 per month. Excise duty imposed only on imported finished products.

I want to take this chance to speak on these three issues: Pensions, the excise duty levied on finished products and VAT on bread. Pension tax relief from Ksh20,000 to Ksh30,000 will encourage a saving culture in this country. We are going to encourage those who are employed to save. They will not be a burden to others when they retire because they will have more money, which is tax-free.

No country grows from imports. When we say that we are imposing a tariff on all the imported finished goods, we are protecting our local manufacturers. By protecting our local manufacturers, we are saying yes to more jobs in this country, which will support hundreds of livelihoods. With the support of local manufacturers, we will also be reviving some of the industries that collapsed due to lack of demand in this country. I know that locally manufactured diapers and sanitary pads in this country will revive many ginneries, including the Mwea Ginnery...

Hon. Speaker: Your time is up. Hon. Mule.

Hon. Stephen Mule (Matungulu, WDM): Thank you very much, Hon. Speaker. I want to be clear and on the record that, at the outset, I oppose this Bill in totality for the simple reason that the Departmental Committee on Finance and National Planning and the Kenya Kwanza regime are hoodwinking Kenyans on the basis of removing VAT on bread and motor vehicle tax, amongst others. I want to put those people on notice. There are three things that they have introduced in this Bill to tax Kenyans more. The first thing that they have introduced is a new clause on road maintenance levy. Some of us are not fools anymore. The road maintenance levy is supposed to raise an estimated amount of Ksh46 billion.

The second thing they have introduced in this Bill that is more fundamental to the common wananchi is the import declaration fee (IDF). They are raising the IDF from 1.5 per cent to 2.5 per cent where they are targeting to raise an estimated amount of Ksh12 billion.

The third thing they have proposed in the Finance Bill, as captured in their Report, is the Railway Development Levy. They should be raising a whopping Ksh88.8 billion on those three fundamental things compared to what they are telling Kenyans that they have removed, which is Ksh76 billion. When you tell Kenyans you have removed the 16 per cent VAT, are you not aware that 80 per cent of the wheat we use in this country to produce bread is imported?

You have increased the Import Declaration Fee (IDF) and the Railway Development Levy (RDL), which covers the 16 per cent that you are telling Kenyans you are removing.

Secondly, look at the medical imports for the common *mwananchi* in this country. Our country manufactures very few drugs. We import 70 per cent of our drugs. In the morning, when Hon. Zamzam said that this Bill would increase the cost of medicine in this country, you dismissed her because she probably did not have the facts. Let me give you the facts. 70 per cent of imported drugs in this country will be subjected to RDL and IDF, which you have increased. This means that the cost of medicine for any patient in this country will increase. What is wrong with you people? You think that we are fools. We will tell you the way it is now.

I say this without any fear of contradiction. If we increase the Fuel Levy by Ksh7 per litre, through the Road Maintenance Levy (RML) as proposed in this Bill, the common *mwananchi* like the *mama mboga* and *boda* who is living on less than a US\$1 per day will not be able to afford their life again. This is not rocket science. The moment you increase taxes on fuel products, you have changed the livelihood of Kenyans. We should not waste any more time. We need to pool and ask the Committee to stop lying to Kenyans, saying that they have removed taxes on bread, edible oil, and all those things they had proposed in the Bill. We call upon all Kenyans tomorrow to wake up and say no to a draconian Finance Bill. The proposed Bill is not giving Kenyans hope through the RDL, the IDF, and the Ksh7 on fuel. Please do not fool Kenyans anymore. We stand with the 52 million Kenyans tomorrow. Until sense comes to your mind, you cannot tax Kenyans anymore.

Hon. Speaker, I oppose.

Hon. Speaker: Next is the Member for Dagoretti South, Hon. K.J.

Hon. John Kiarie (Dagoretti South, UDA): Hon. Speaker, I am grateful to have finally caught your eye. This is where the Finance Bill belongs. I am glad we are here debating it because we have a lot of work to do to clear and disabuse the misinformation that is being peddled about this Finance Bill. The misinformation is leading our children to the streets. They have been made to believe that the Finance Bill is one clause and one question that will come to the House, and Hon. Members will vote yes or no. Every one of those children that I have engaged on my social media is asking whether I am voting yes or no. I asked them: ‘Which clause?’ None of them could respond because they are responding to what is being peddled in the media. The Finance Bill belongs to the Floor of this House. We can now tell Kenyans the truth that the Finance Bill will allow us to fund every project that is listed in the Budget. But, most importantly, we will also talk to Kenyans about the process that we have undertaken.

The Departmental Committee on Finance and National Planning Committee has engaged Kenyans so robustly that their wishes have now been heard. There were antagonistic clauses that were offensive to some Kenyans. Those clauses have been addressed in the right place, and there are proposals to remove some of the offensive clauses.

It is said that a lie has speed, but the truth has endurance. Kenyans were made to believe that when we were passing the Budget, it was the day we were prosecuting the Finance Bill. Some even went out to the streets that day because the lie was too fast. There are too many lies being peddled by the media. Today, we have the opportunity to put the record straight. If we had a theme for this Finance Bill, it should be that we seek to make Kenya stop being a net importer...

Hon. Catherine Omanyoo (Busia County, ODM): On a point of order, Hon. Speaker.

Hon. Speaker: Order, Hon. K.J. Yes, Member for Busia County. What is your point of order and under which Standing Order?

Hon. Catherine Omanyoo (Busia County, ODM): Hon. Speaker, Standing Order 91. Kenyans do not lie. They went to the street, and that is what prompted the editing of what you

had already proposed. Let us not call them liars but true citizens who cannot allow their country to go to the brink as they watch.

Thank you, Hon. Speaker.

Hon. John Kiarie (Dagoretti South, UDA): Hon. Speaker, I may not have time. I hope my time has been preserved so that I can take Hon. Catherine Omanyo through this country's budget-making process. This House is not moved by external forces but in its own motion - *suo moto*. On budgeting matters, the Committee was in the process of engaging Kenyans long before a fake demonstration was organised.

The lie persists because I am a graphic editor, and I want to tell you that some photos that have been taken from the streets do not belong to this country. They were taken off the internet, edited and posed as Generation Z. I am a photo expert and can point out photos that are edited so as to look like they were in the streets of Nairobi, but they were not. But that was not the point. I want to let this House know that every digital image has a digital footprint. If a photo was taken in 2020 and was used yesterday, we can tell from its metadata. There is no debate about that.

The truth is that we have a Finance Bill that seeks to move Kenya from being a net importer to having cottage industries. We want to start manufacturing and reward any Kenyan who seeks to...

(Loud consultations)

Hon. Speaker, preserve a minute for me because of the interruptions. As I was saying, this Finance Bill allows us to tell Kenyans the truth. For a whole two months, they have been told the economy is in dire straits, but indicators are telling us it is moving in the right direction. Inflation has dropped from 9 per cent to 5 per cent...

(Hon. John Kiarie spoke off the record)

Hon. Speaker: Your time is up. Hon. Dick Maungu.

(Loud consultations)

Hon. Speaker: Order, Hon. Members. Hon. Millie, you contributed in silence. Please accord the same silence to your colleagues.

Hon. Dick Oyugi (Luanda, DAP-K): Thank you, Hon. Speaker, for allowing me also to add my voice to this important debate. From the word go, I wish to state that I, on behalf of my people...

(Hon. Millie Odhiambo-Mabona spoke off the record)

Hon. Speaker: Hon. Millie, you told me that you would not bully any young Members of Parliament. You are now doing the exact opposite. Go on, Hon. Maungu.

Hon. Dick Oyugi (Luanda, DAP-K): Thank you, Hon. Speaker. I, on behalf of the great people of Luanda and the young generation of this country that came out yesterday to speak for itself, reject this Bill. The Finance Bill of 2024, just like that of 2023, has been a highly debated piece of legislation simply because it is very offensive. We agree that if you are given a glass of water and somebody puts a drop of poison in it, that whole glass becomes poisonous and, therefore, unfit for human consumption.

The Finance Bill is the equivalent of a glass of water that has been poisoned with a drop of poison, making it wholly unsuitable for human consumption. To a great extent, it has serious proposals that are offensive and harassing many people who depend on this country's economy.

Hon. Speaker, there is talk about having climbed down on some of the proposals, for example, on what is basic that most of us eat. Most Kenyans in the common household consume bread. Therefore, proposing an increase in the same element of food becomes a disastrous idea to the very Kenyans that we purport to represent.

You will agree with me that the Finance Bill, 2023 had a projection of collecting close to over US\$200 billion, but as it is, it was only able to realise close to 57 per cent of its initial target. The Finance Bill 2024 is poised to bring in close to US\$302 billion, but from last year's experience, it may be quite a big target to achieve. A question, therefore, is why could the Government of the day not decide to postpone any new increment of taxes for the time being, to ensure that they are able to put in place steps to help them realise the shortfall they had last year.

Yesterday, we saw what has never happened in this country, where a young generation, people in their early 20s, came out to speak for themselves. They felt and believed that this House could not stand in the gap for them. It is embarrassing to see our young people sacrificing themselves to go out in the streets because they have lost confidence, trust and have no hope in the institution of Parliament.

Let it be known that should Kenyans suffer, the person to ask those hard questions is none other than Members who are seated here this evening, and who will pass this Bill which will add unnecessary burden and heavy weight to our people. Therefore, as Kenyans are watching this evening, I want every Kenyan to take charge and note what his Member of Parliament will be speaking this evening with regard to this Bill. A Member who goes on to support this Bill desires that his people should not have life tomorrow. A Member who goes on to support this draconian Bill, does not think good for his people.

I want to urge this great House that, as we are standing today, let us say no to this Bill so that we may have an opportunity to give hope to our people. As it has been pointed out, there is a proposal to bring down motor vehicle circulation tax. However, in the same Report, there is a new clause that proposes to increase fuel by a whopping Ksh7. I want somebody to tell me: How on earth can we therefore go on burdening *mama mboga* and hustler with an extra shilling at the pump? This will be finishing and shrinking our people and, if anything, trying to freeze or shrink the disposable income which is within their pockets.

I, therefore, stand to oppose. Thank you.

Hon. Speaker: Hon. Titus Lotee. Give him the microphone.

Hon. Titus Lotee (Kacheliba, KUP): Thank you, Hon. Speaker for giving me this opportunity to contribute to the Finance Bill, 2024. I would have rejected and voted no to this Bill, if I had rented my brain and mind to the people that will misuse it, but I have not rented my mind. I would have voted no and rejected this Bill if I was a *Tabula Rasa* with no brains to read, reason and analyse, but I am not one.

The reason I say that is because I have looked at the Bill and the proposals therein and realised that everything that the people of Kacheliba sent me to represent them, all the punitive taxes have been removed. So, I will be mad to come here and start saying that we reject this Bill in totality. I will not because everything that affects Wanjiku and the people that I represent has been removed.

The white man says that if you want to hide information from a black person, put it in writing. I have attested to it today because nobody has read everything that has been written here. Rather, they are relying on the insinuations that are coming from the members of the public that have been incited. Some Members of this Parliament are actually acting on hearsay, innuendos and assumptions. We need to unpack this Bill. We should get it out in writing and

start to educate the members of the public. This is because if writing hides information from them, then we should talk to them so that they also know that the things that they talk about have been proposed for amendments. For example, they are talking about the following proposed taxes that have since been proposed for removal: 16 per cent VAT on bread, 25 per cent Excise Duty on crude palm oil and finished cooking oil and that are fees charged on money transfer services. This is because it is still in the Bill and they have not seen the proposed amendments.

Lastly, I support the Bill because of five things: One of them is that for the first time, we will employ 46,000 intern teachers. We intend to confirm them into permanent and pensionable terms. This country has suffered cases of unemployment. If the Bill seeks to employ 46,000 people, why do we just want to throw it away? We should sympathise with the unemployed people who want to get jobs. This is because if they get jobs, they will improve the economy of this country. Let us sympathise with the 20,000 more that will join the internship programme this year so that they can be employed next year. If you say no to the Bill, you are also saying no to their employment.

The next one is about the pastoralists whom I represent. For the first time, they will be compensated for the loss of their livestock. That is a big thing.

I also support the Bill because the local manufacturing industry will be improved. Before joining Parliament, I worked as the CEO of the National Government Affirmative Action Fund (NGAAF). So, I know of some women groups that tried to form cottage industries to manufacture sanitary towels, but were killed because there were cheap imports of sanitary towels from China. If we want to grow our economy, we will need to improve our manufacturing industries. We do not need high quality brands at this point. Every country that has developed started with low quality brands and improved on them with time. But most importantly, we will create employment in this country. How do we improve our industries if we say that our brands are cheap and of low quality and so we will not start? We have to start from somewhere.

Finally, as I finish, I will support the Bill because I am not a tabula rasa and I have not been brainwashed. I will support it, as amended, because everything punitive has been removed.

Thank you.

Hon. Speaker: Thank you. Hon. (Dr) Ochanda.

Hon. Gideon Ochanda (Bondo, ODM): Thank you, Hon. Speaker. From the onset and based on the two documents that are before us, I oppose the Bill.

(Applause)

I, however, support the Report as work in progress. What is more critical is the way we go through the stages of the budgetary process. The stages start in February when we have the Budget Policy Statement (BPS). Then in April and May, we look at the budget estimates. In June, the Cabinet Secretary for National Treasury and Economic Planning reads the budget estimates in the House. Finally, we get to the stage where we discuss the revenue-raising measures in the Finance Bill. Those stages need to be tied. As a House, we have not tied them properly. That is why there are missing dots. There are dots along the stages. We should consider the BPS in relation to the budget. There are definitely different figures which sometimes go beyond what the BPS expects.

In the estimates, you realise that there are figures and proposals in terms of projects and activities that Members propose, sometimes without the knowledge of where we will raise the money from. What I mean is that, for example, at the budget estimates stage, we should talk about the activities and projects and how they will be funded. If at that time we have indicative

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sources of revenue and figures, we would be more useful to this country. We should not just say that the budget is fine because there were many good things in it but, after a week, we discover that we are not too sure where the money will come from. At that point, we start saying that the budget is bad. So, this is exactly why I insist that we must get a way of tying up those stages together. There must be a string that ties them from level one up to the stage when we are raising revenue. Beyond that, we need to look at why there has been a lot of uproar in the last two years.

If the traditional sources of revenue were working before and there were no issues, what is it that we need to do to work around them such that we do not go the creative ways that are bringing in a lot of issues and things that people do not understand, and particularly, when you get into the communication industry where there are a lot of new things? When you move in to look for revenue across it, there are many things that will tie you to be at war with the young people. Those are things that we really need to look into.

Regarding the issue of revenue, there are things that you can avoid and the nation needs to be told. You can avoid taxes, but you cannot evade them. What is it that you can avoid? For example, not everybody pays taxes on beer. It is up to those who consume it. You can avoid that. When you get into other avenues where things that are not conducive and good for you are brought, then you can have the space not to get into them. That is exactly what I am saying.

I support the Report, but do not support the Bill. The Report is still work in progress and in the next number of hours, we will still be working to improve on it.

Thank you.

(Hon. Dick Oyugi spoke off the record)

Hon. Speaker: Thank you. That is his position, Hon. Maungu. You do not have to prod anybody. Member for Aldai Constituency.

Hon. Marianne Kitany (Aldai, UDA): Thank you, Hon. Speaker. I rise to support the Finance Bill.

Hon. David Gikaria (Nakuru Town East, UDA): On a point of order, Hon. Speaker.

Hon. Speaker: Member for Nakuru Town East, what is out of order?

Hon. Kitany, take your seat.

Hon. David Gikaria (Nakuru Town East, UDA): Thank you, Hon. Speaker. I know that everybody thinks I am rising under Standing Order 95, but I am rising under Standing Order 30 on Hours of Meeting and specifically Sections (3), (4) and (6).

Section 3 of Standing Order 30 says:

Notwithstanding paragraphs (1) and (2), the House may resolve-

(a) To extend its sitting time.

(4) A Motion under paragraph (3)(a) shall be moved at least thirty minutes before the time appointed for adjournment.

Hon. Speaker, it is now about 55 minutes to adjournment.

(6) Upon the conclusion of all proceedings under paragraphs (2), (3) and (4) of this Standing Order, or upon an earlier completion, or deferment of all business standing upon the Order Paper for the sitting, the Speaker shall adjourn the House without question put.

Hon. Speaker, I know that we are supposed to adjourn at 9.00 p.m., but under the Standing Order, we can be able to proceed if we agree. 55 minutes means that only 11 Members of Parliament will have five minutes each to contribute. If we can go until midnight, then we will have more time for us to debate.

Thank you.

Hon. Speaker: Carry on, Hon. Kitany, as I consult my clerks.

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Hon. Marianne Kitany (Aldai, UDA): Hon. Speaker, I rise to support the Finance Bill.

One thing that we can now see in the country is that the conversation has changed to become politics of a Finance Bill. My grandmother in the village, the Generation Z that we saw yesterday and everybody else, including us, are talking about the Finance Bill. This is a step in the right direction.

Why do I support the Finance Bill? One, is the introduction of Eco Levy. Around 2016, the ban on polythene was imposed in our country and, at that time, there was a lot of hue and cry on how packaging and the cost of living will become expensive. However, the National Environment Management Authority (NEMA) stood its ground and effected the ban on polythene bags. Today, our country is one of the cleanest because we do not have polythene papers. There are imported finished products that have polythene. Introducing the eco tax will help us in managing that waste, which we have already removed from our raw materials all the way to local manufacturers. We should not introduce any polythene.

Over and above the eco tax, the proposal is going to create employment. The tax is on imported finished products. Therefore, this will encourage local manufacturing. We will create employment for the youth who currently do not have employment, as most manufacturers would prefer to do local manufacturing and not pay eco tax as opposed to importing finished products that will attract the tax. The trend on either products or raw materials that are currently exported for value addition outside the country will be reversed. Those raw materials will be added value. Farmers and all those who produce the raw materials will not only create direct employment but also direct income, and therefore increasing the tax base. Not to mention, of course, the environment. We will have improved the environment and we will have extra revenue to deal with wastages that come from finished, imported products that already have eco-friendly packaging.

I also support this Bill because of the edible oil tax. About three weeks ago, we met manufacturers of edible oil. They told us that if the taxes were going to be imposed on crude oil that they import to manufacture edible oil, then the cost of living would have gone up as the cost of edible oil would have gone up. I am happy that the proposed amendment will totally remove all the taxes that were going to be imposed on edible oil. That encourages employment and, of course, we have both direct and indirect employment in the edible oil industry. The only thing I want to encourage is that those manufacturers need to look local by ensuring that farmers who currently grow sunflower and canola are also considered. We should not just export labour or revenue to countries that produce edible oil and yet, we can grow it in our country.

The other issue that this Finance Bill is taking care of is that, it is correcting some of the ills that have happened in previous Finance Acts. One of them being on the cost of money. For example, tax on per diems has now been increased from Ksh2,000 to 5 per cent of the gross. That means that an employee will have more disposable income. Contributions to NHIF and the housing levy have now been put as tax deductible. This, therefore, will reduce PAYE for salaried employees. That will allow salaried employees to have more disposable income, which is a correction from the previous Finance Acts. If we say that the Finance Bill be rejected, then some of these ills that are being corrected in this Bill will not be corrected.

With that, Hon. Speaker, I support the Finance Bill. Thank you.

Hon. Speaker: Thank you. Before I give an opportunity to the next speaker, Hon. Gikaria, I have looked at your proposal. I had already given direction on the timings and the manner of debate on this Bill. In fact, I had said we would go up to 9.30 p.m., but the Clerks-at-the-Table advised me that today, the House rises at 9.00 p.m. So, we will rise then. This is not the last day of debate. We are starting again tomorrow at 9.30 a.m. and we will go on up to 1.00 p.m. Then we will start again at 2.30 p.m. In the course of the afternoon, I note from where I sit that, other than the desire and the need, and justifiably so, for every Member to speak to

the Bill, there are a lot of tedious repetitions. But I will still indulge every Member who will get a chance to speak. Tomorrow in the afternoon, all things being equal, we will vote on the Bill. Those of you with amendments, make sure you file them before 1.00 p.m. tomorrow. Depending on how you will vote in the afternoon, we will give you direction on when we will go to the Committee of the whole House.

I will now give the Floor to Hon. Lilian Gogo.

Hon. (D.) Lilian Gogo (Rangwe, ODM): Thank you so much, Hon. Speaker. As you have rightfully said, you and all of us have been here from 9.00 a.m. This is because of the interest and how emotive this particular issue is. I thank you for giving me an opportunity to add my voice and that of the great people of Rangwe Constituency in this matter. I am reliably requested, required or commanded by the great people of Rangwe Constituency to reject the Bill. I will surely do that because they are the ones who sent me to Parliament. As an academic, I will oppose it with reasons which the Rangwe people will stand by.

At some point during the debate, it was mentioned that we get a Finance Bill in every financial year. We will have a Finance Bill for this year and another one for Financial Year 2025/2026. As much as we want to have Finance Bills every year, it is prudent to have an Act which should be allowed or given time to operationalise. We run it for a time, so that we are able to critically analyse or make observations on its goodness and badness.

In the course of debate, it was mentioned that probably the young people we are seeing rising up out there may not know about this Finance Bill. However, I can assure my colleague and friend that they are well informed, Hon. KJ. At times, they are even ahead of us with information. They know how to comb and dig information from wherever they are able to get it. We should not undermine their capacity to be informed on matters that happen in Parliament. In any case, they are the next cohort of parliamentarians. They are practising and exercising their democratic right. They have the right to picket. If they do so as young people, we should give them room.

Having said that, I also appreciate what the Committee has done. They listened to Kenyans and made amendments. On the one hand, we have the Committee's Report and the Bill on the other one. This gives room for hope. From the point I stand, I may not be very good at estimating the age of the substantive Chairperson of the Departmental Committee on Finance and National Planning. But I can literally guess that he is a young person. I tell him: "My brother and Member of Parliament, he is a young person." Young people are looking at his capability and capacity to run a major docket like this. Let us not take things for granted. You are building a career. There are many issues to reject this Bill on. When we talk about not imposing taxation or making gluten-free bread taxable, what exactly do we mean? What is the science behind it? What is the issue or allergies about this? Was it medically informed? So, if we start tearing and scrutinizing this Bill to the extent that we tear it apart, all of it will be rejected. But for me and the people of Rangwe on the Bill, I stand to say no.

Hon. Speaker: Thank you, Hon. Lilian.

(Several Members gestured to the Speaker)

Hon. Taitumu and others who want to speak, stop menacing the Speaker with hand gestures. I can see. I will give you a chance to speak. Hon. Taitumu

Hon. Julius M'anaiba (Igembe North, UDA): Thank you for giving me the opportunity. I rise to support the Bill. I thank the Committee.

First, I went through the Committee's document and saw that two or three entities had an opportunity to present their views in relation to the Bill. The Committee listened to their views objectively and adjusted clauses that were punitive to Kenyans, mainly the *mama mboga* and other citizens of this country. I have heard you make several pronouncements. That those

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with amendments should tender them before 1:00 p.m. tomorrow. This is to say that the Bill comes to Parliament so that Members can get an opportunity to make amendments. Not to reject amendments. That is for the posterity of this country.

This Government inherited a disjointed education structure that requires colossal amounts of money to roll it out. One is the 46,000 teachers who are about to transition from being interns in junior secondary schools to permanent and pensionable status. Bad clauses were dropped and others were amended to make sure this Bill benefits the citizens of this country.

Young Kenyans have jammed our phones with messages of ‘reject Finance Bill’. When you engage them by asking them to expound the reasons we should reject, a majority of them go mute. The reason is that they have been confused and poisoned. The truth is that they are being laced with poison. The truth of the matter is that that this Bill is progressive in the sense that punitive clauses that would have affected those Kenyans were removed. For instance, the motor circulation tax was removed. This would have affected the mama mboga drastically or anybody who uses vehicles or even Toyota Proboxes and other modes of transportation to take their merchandise such as cabbages, tomatoes and the rest to markets.

This is the first time salaried people will have Pay as You Earn (PAYE) deducted after statutory deductions. This will have a positive index on their net pay. This Bill is good for such reasons. Taxes on mobile money transfers have remained as they were. They have not been added as it is seriously exaggerated.

On Value Added Tax (VAT) on financial services for foreign exchanges, Hon. Speaker, the charges on exchanges have also remained as they were. VAT on bread was very contentious, but in the wisdom of the Committee, through the advice and the democratic space that it gave the stakeholders of this country, the experts, the professionals and even faith-based organisations, saw it worthy to have it removed. The Eco Levy and other levies that were not necessary to be levied on Kenyans were removed. This country requires money.

Hon. Speaker: Thank you, Hon. Taitumu. Member for Kiminini, proceed.

Hon. Bisau Kakai (Kiminini, DAP-K): Thank you, Hon. Speaker. I represent the good people of Kiminini. We know that this Finance Bill is supposed to be a mechanism to raise funds for Government programmes. However, if the Government widens the taxation mechanism that affects the people, I have a right to represent my people and indicate what is not right.

Secondly, we must reduce and rationalise our expenditure. We must live within our means. Looking at this particular Bill, we completely left out the principle of a sovereign State whereby the Bretton Wood institutions are the ones that are dictating what we have to put in our Budget. Someone who is sitting in Washington at the International Monetary Fund (IMF) does not really understand the pain that the local Kenyan goes through by imposing tax on bread and sanitary pads. It is also important to note that templates that have been provided by the World Bank, which have worked in other countries like Croatia, cannot work in Kenya.

Looking at the other side of the House, they have Members of the younger generation who you would expect would be keen on the price of basic items like diapers. This morning, I listened to the presentation by the Leader of the Majority Party who listed four companies that are producing diapers and even sanitary pads. Figures do not lie. The four companies are not able to meet the demand of the sanitary pads or the diapers that are needed in this Republic. That means that the majority of those items that are used in this Republic are actually imported. What I would have expected from this Bill is for it to outline a good mechanism to encourage investors to come in and manufacture locally. Basically, what this Bill has done is to try and protect some local manufacturers and, of course, not promoting competency or proactiveness. We should not, in the spirit of protecting local manufacturers, try to put more taxes, especially

on critical items like this. This reminds me of 1775, between the month of April and May, where there were over 300 bread riots.

Yesterday we saw the people demonstrating in the streets because of that. I will not be surprised if we do not panel beat this Bill and ensure that we have a good Finance Bill. That we will make history as the first country, not just on the Continent but globally, that will have riots on diapers or sanitary clothes.

We have a lot of minerals like iron ore, copper, graphite, magnesia and nickel. There are smarter ways of how we can utilise and take advantage of our natural resources. I expect that we will focus on the items that are causing some social disorder, like alcohol, by imposing even 100 per cent taxes. But touching on items like bread and sanitary pads will create many faults in this Bill.

So, at this point, Hon. Speaker, I oppose this Bill. Thank you.

Hon. Speaker: Timothy Toroitich, Member for Marakwet West.

Hon. Timothy Kipchumba (Marakwet West, Independent): Thank you, Hon. Speaker, for giving me an opportunity to contribute to this very important Bill. At the outset, I rise to support the letter, the spirit and the intent of this piece of proposed legislation, but with a rider. I support the same as proposed by the Committee. The reason I say I support the Bill with the amendments by the Committee is that the Bill, as it was brought to this House, was a Bill that was in the mind of the Executive.

Hon. Speaker, the reason this House is given time to interrogate a Bill is so that we can get the input of the Members of Parliament here and also get the input of the members of the public through public participation. When the Departmental Committee on Finance and National Planning went to collect the views from the public, they never went to collect the views of Kenya Kwanza public. They never went to collect the views of Azimio supporters, and they never went to collect the views of individuals. They went to collect the views of collective Kenyans. If there were no amendments to this Bill, I would have opposed it. But because of the amendments that have been reflected in the Report of the Committee, I will support the Bill purely on the proposed amendments by the Committee.

Hon. Speaker, there were acrimonious and contentious clauses in that Bill. The members of the public were told about the 2.5 per cent. That proposed amendment by the Committee is the one I support. I have read the voluminous Report in its entirety. The 2.5 per cent tax on motor vehicle has been deleted pursuant to the opinion of the public. I commend the Committee led by Hon. Kimani Kuria. They said that the 2.5 per cent was based on the Income Tax Act. They said the Income Tax Act only deals with income and not assets as the motor vehicle. That is the reason I support.

Hon. Speaker, the second reason is that this year, the Committee on Budget and Appropriations led by Ndindi Nyoro proposed certain fundamental amendments and brought a budget to this House. One of the issues was the issue of equality in the allocation of resources, particularly concerning electricity. Hon. Speaker, every constituency was given Ksh50 million. I saw my friends from the other aisle supporting that proposal. But the question is: How do we fund it? How do we get the Ksh50 million if we do not pass this Finance Bill? All of us from this aisle and from the Opposition supported the increment in NG-CDF. If we do not have enough money to support that increment, how shall we, as a country or as Members of Parliament, get that funding?

On the issue of Junior Secondary Schools (JSS) internships, there have been demonstrations outside there. Internship teachers have been saying that they want to be confirmed. I sit in the Committee on Education and Research in this House.

Hon. Clive Gisairo (Kitutu Masaba, ODM): On a point of order, Hon. Speaker.

Hon. Timothy Kipchumba (Marakwet West, Independent): Hon. Speaker, in this budget, we have allocated...

Hon. Speaker: Yes, what is the point of order from your neighbour?

Hon. Clive Gisairo (Kitutu Masaba, ODM): Hon. Speaker, I rise under Standing Order No. 91. Is it in order for the Hon. Member to mislead the House that the budget proposed an increment on NG-CDF and yet, we know NG-CDF is a percentage of the collection?

Hon. Timothy Kipchumba (Marakwet West, Independent): Hon. Speaker, constituencies have been receiving money depending on the number of wards although this time round, there is an increment of Ksh30 million per constituency. That is not rocket science. It is an increment which is reflected in the budget estimates and must be funded.

Finally, even though I support this Bill, there is hue and cry outside there. It is incumbent upon the Executive to ensure that money is collected in this year's Finance Bill...

Hon. Speaker: Thank you, Hon. Timothy. Hon. Wanjala Raphael.

(Loud consultations)

Hon. Wanjala shall be heard in silence. So, be silent as others speak.

Hon. Raphael Wanjala (Budalangi, ODM): Thank you, Hon. Speaker. I beg to oppose the Finance Bill, (National Assembly Bill No. 30 of 2024).

I am cognisant of the fact that it went through the First Reading on 13th May 2024 and was committed to the Department of Committee on Finance and National Planning for consideration. The Committee was to report back to the House under the provisions of Standing Order 127.

Hon. Speaker, I am also cognisant of the fact that this Bill has 65 clauses and seeks to amend laws on matters such as the Income Tax Act (Cap 47(1)), Value Added Tax (Cap 476), Excise Duty Act, Tax Procedures Act (Cap 469), among others.

I have heard some Members saying that if we oppose this Bill and it collapses, the Government will be unable to collect taxes. I want to inform them that if this Bill collapses, we still have the Finance Bill, 2023 which is still in force and will continue operating. We are only amending it. Therefore, if the Bill collapses, nothing will go wrong. We will continue and that is what many of us are praying.

You are also aware that in the last Financial Year 2023/2024, we were supposed to collect Ksh352 billion. In the Financial Year 2024/2025 the Bill proposes to get additional revenue of approximately Ksh302 billion, even though we were unable to collect Ksh352 billion. I do not know why the Kenya Kwanza Government is over-ambitious by doing what they cannot attain.

These measures are part of the general effort to enhance domestic resources mobilisation and reduce dependency on foreign aid and loans, as they always say. We know very well that, in less than two years, this Government has borrowed more than any other Government, although they claim not to be borrowing. This should be done with the sensitivity required and the necessary understanding of the economic situation that the common *mwananchi* is already shouldering a heavy cost of living.

Hon. Omar Mwinyi (Changamwe, ODM): On a point of order, Hon. Speaker.

Hon. Speaker: Member for Changamwe, what is out of order?

Hon. Omar Mwinyi (Changamwe, ODM): Hon. Speaker, is it in order for the Member, who has been here for a long time, to read instead of debating?

Hon. Speaker: Thank you, Member for Changamwe. I was just about to inform Hon. Raphael Wanjala that it is out of order to read a speech in the guise of a debate. Hon. Wanjala, as a senior Member of the House, you are aware of the Standing Orders. You can refer to some aide memoir but you cannot read a speech like you are doing. This is not a maiden speech. Kindly, debate the Bill.

Hon. Raphael Wanjala (Budalangi, ODM): Hon. Speaker, I am not reading but just referring.

Hon. Speaker: You were reading but go ahead.

Hon. Raphael Wanjala (Budalangi, ODM): Hon. Speaker, you did not ask him which Standing Order he was rising on. This is the bias that we are talking about.

Hon. Kuria Kimani (Molo, UDA): On a point of order, Hon. Speaker.

Hon. Speaker: Yes, Hon. Kimani. Order, Hon. Wanjala.

Hon. Kuria Kimani (Molo, UDA): Is it in order for Hon. Wanjala to misinform this House that if the Finance Bill is not passed, then the budget process will still continue? He has quoted Article 220 of the Constitution which says:

“220. (1) Budgets of the national and county governments shall contain—

(a) estimates of revenue and expenditure, differentiating between recurrent and development expenditure;

(b) proposals for financing any anticipated deficit for the period to which they apply;”

Therefore, it is a constitutional requirement that when a Budget is tabled, there must be the supply side over that expenditure.

Hon. Speaker: Yes, Hon. Wanjala.

Hon. Raphael Wanjala (Budalangi, ODM): Hon. Speaker, I do not disagree with what he has said. What we are doing is simply making amendments. If a section we amend collapses, the parent Act still remains unchanged. These newcomers may not be familiar with how things work here.

We know that this Government made promises to Kenyans, similar to past governments. They promised to focus on industrialization and yet, they are doing nothing towards industrialising this country. Instead, they keep feeding us with stories as they collect a lot of taxes, without demonstrating the value of that money. Some of us have been in the struggle since 1992, and we abolished the police state. However, whatever happened yesterday takes us back to a police state. The police were mobilised to beat up innocent young people who were exercising their right to demonstrate and petition. Where are we headed to as a country? Our generation is in power and yet, they seem to be taking us back to an authoritarian state.

I ask the current Government not to harass Kenyans when they exercise their rights. They should not chest-thumb but listen to Members of Parliament. This Committee is ...

(Hon. Raphael Wanjala's microphone went off)

Hon. Speaker: Thank you, Hon. Raphael Wanjala. The lesson you learn today is this: You can see how nice it is to speak without anybody heckling at you. You have enjoyed speaking today and so, give that enjoyment to others when they speak.

Hon Member for Nyeri Town.

Hon. Duncan Mathenge (Nyeri Town, UDA): Thank you, Hon. Speaker. I rise to support the Finance Bill as amended by the Report of the Departmental Committee on Finance and National Planning. I urge the Chairman of this Committee to ensure that by 1.00 p.m. tomorrow, all the amendments that have been proposed are rightfully before this House. I have spoken to the people of Nyeri Town who elected me. I started with Archbishop Anthony Muheria of Nyeri Archdiocese who gave me the Report that he presented before the Finance Committee during public participation.

Hon. Peter Masara (Suna West, ODM): On a point of order, Hon. Speaker.

Hon. Speaker: What is out order Hon. Peter Masara?

Hon. Peter Masara (Suna West, ODM): Hon. Speaker, the Member is out of order. I am a Catholic by faith. The Bishop cannot come and confirm to us that the Member of Parliament talked to him...

Hon. Speaker: Order, Hon. Masara. Do you have any information on the contrary? He says he talked to a bishop in his constituency. What is wrong with that?

Hon. Peter Masara (Suna West, ODM): Hon. Speaker under Standing Order 91.

Hon. Speaker: Order. You are out of order Hon. Masara.

Hon. Peter Masara (Suna West, ODM): Okay.

Hon. Speaker: He is not even using the bishop as an authority to advance his argument. He just said that he spoke to him. Go on Hon. Mathenge.

Hon. Duncan Mathenge (Nyeri Town, UDA): I have spoken to my constituents in the markets in Nyeri Town, Gatitu Location, Ruring'u Location and I have listened to their proposals and objections to the Finance Bill as originally tabled in this House. Their concerns have been adequately addressed in the Report that has been tabled by the Finance Committee in this House. As a result, all the Junior Secondary School (JSS) teachers in the 43 primary schools in the constituency who have been requesting me for permanent and pensionable employment, today, I can proudly confirm to them that through the funds that will be raised using this Finance Bill, their employment is guaranteed. I can also confirm to the doctors who went on strike over the money for interns and their Collective Bargaining Agreement (CBA) that was not implemented, that the promise that they were given will be funded through this Finance Bill.

I can confirm to the coffee farmers of Nyeri and Mt. Kenya region that the debt write-offs that has been promised by the Government, the funds will be raised by this Bill. The Executive brought their proposal to this House and this House has the mandate to look at their proposals and either agree, reject or amend them. It is incumbent among us tomorrow, if you so direct Hon. Speaker, that we exercise our mandate as a House and contribute towards the advancement of this country in terms of the budget that we passed in this House. We started by passing the Budget Policy Statement that indicated that we would have increased expenditure this financial year. Where did we expect the money to come from if, when the proposals are brought to us, all we are doing is rejecting them in totality?

For the many young men who sent messages to my phone, I engaged and asked them to specify the particular sections of the Bill that they wanted me to say no to. Many of them just kept saying: 'Reject the Finance Bill in totality', meaning that they had not interacted with the document. But they had been fed lies to believe that this Bill had nothing good for this country. On the contrary, none of these Members has rejected the increase in the National Government Constituency Development Fund (NG-CDF) allocation in the constituencies.

(Applause)

None of the Members has rejected the employment of the Junior Secondary School (JSS) teachers in their constituencies and the payment of the doctor's salaries as promised during their strike.

Hon. Speaker, I sit in the Departmental Committee on Health. We have proposed to implement Universal Health Coverage (UHC) and none of the Members has opposed the provision of improved health services for our people.

I support.

Hon. Amos Maina (Starehe, JP): On a point of order, Hon. Speaker.

Hon. Speaker: Hon. Mwago, what is the problem?

Hon. Amos Maina (Starehe, JP): Thank you, Hon. Speaker.

I want to seek your clarity on whether we are discussing the national Budget or the Finance Bill.

(Applause)

Hon. Speaker: They are contemporaneous processes. Hon. T.J. Kajwang’

Hon. T.J. Kajwang’ (Ruaraka, ODM): Thank you, Hon speaker. As a ranking Member, I do not want to repeat what they have said here.

Hon. Speaker: So, do you surrender your time?

Hon. T.J. Kajwang’ (Ruaraka, ODM): No, and neither do I want to bore you with a lot of unnecessary information.

Hon. Thuddeus Nzambia (Kilome, WDM): On a point of order, Hon. Speaker.

Hon. Speaker: Hon Nzambia, what is out of order?

Hon. T.J. Kajwang’ (Ruaraka, ODM): You are rising on a point of order?

Hon. Speaker: Hold your horses, Hon. Kajwang’. Give Hon Nzambia the microphone.

(Hon. Millie Odhiambo-Mabona spoke off the record)

(Loud consultations)

Hon. Speaker: Give him the microphone.

(Technical hitch)

There you are.

Hon. Thuddeus Nzambia (Kilome, WDM): Thank you, Hon. Speaker. I am not rising on a point of order. However, I want to remind you that I have been sitting here since morning. When I checked on the screen, I was almost number two in queue. I am worried that ...

(Laughter)

Hon. Speaker: Order, Hon. Nzambia. Take your seat. I have also been sitting here since morning, and so has all these Members. The system has been malfunctioning. It brings your names and then erases them. I have also been exercising discretion. Sometimes, I try to balance the House in terms of gender, youth and so on. You will speak. If you do not speak today, I will be here at 9.30 in the morning. I can give you an undertaking that if you will be here then, I will start with you.

Hon. Kajwang’.

(Applause)

Hon. T.J. Kajwang’ (Ruaraka, ODM): Hon Speaker, Article 221 that was quoted by the Chairman of the Finance Committee is very clear. The financial documents must be before the House two months before the time that they relate. When you look at Articles 220, 221 and 223, you get the impression that the Constitution anticipated that these documents will have to be re-considered in one set.

There was a Budget Policy Statement (BPS) which was presented to this House. The Cabinet Secretary expressed the fundamentals upon which this Budget was drawn and, therefore, the Finance Act or the Finance Bill. The Finance Bill was predicated upon the BPS.

In the Report of the Departmental Committee on Finance and National Planning, you will note that almost 18 clauses are designed to be changed. You can do the math.

My friend was telling me that it is something in the tune of Ksh300 billion or so. My point is that the alterations which have been done, whether right or wrong, are such that they fundamentally and substantially change the architecture of the Finance Bill which was predicated upon the Budget Policy Statement (BPS). That is a constitutional and public finance construct that the National Assembly has to call the Cabinet Secretary because this budgeting process is ours. That is the first point that I want to put across. When we say that the details are good, or we are changing things and so on, if anything else, we must think of a constitutional construct which must guide the budgeting process. Members of the public are entitled to good governance and us following the constitutional principles. That is number one.

Number two, and this is the only point that I want to repeat, somebody said that this is giving with the right hand and taking from the left hand. You can still work the math and see the amount that is said to be given out in this bread tax and others, which is being made right by the Committee.

In fact, that amendment which is seeking to introduce the Reaching the Last Mile Fund (RLMF) is substantial enough to absorb all these things that they are bringing. Kenyans, you will not pay fuel. It will not be more expensive. These people are timing your electricity. It is that amount which shows every day on your electricity bill that supports the generation of power. That is what this thing will be all about.

So, when you think about all these things... Hon. Nyikal told me something that was from a very good authority, his own wife, who is a professor and also a Vice-Chancellor. He told me that this Budget is a decoy. It is made to look like a glass, yet deep inside it, it has done even worse than it should have. But you are now being told: "We like the public. We listened to you and we have changed". Nothing has changed.

Lastly, when we get to the appropriation, the only two things that will happen are either they will amend the Appropriations Act to be able to absorb this, or they will borrow more. Kenyans will be in deeper shit. Oh no! That is not parliamentary. I am sorry. Parliament will be in a deeper hole.

(Laughter)

That big hole....

Hon. Speaker: Thank you. Give the microphone to Hon. Munyoro.

Hon. Joseph Munyoro (Kigumo, UDA): Thank you, Hon. Speaker. I appreciate the honour of this opportunity to speak.

First, I am a Member of the Departmental Committee on Finance and National Planning. We did a lot of work to come up with these amended proposals for the Finance Bill. I also appreciate our Secretariat because they do a lot of work. They have had sleepless nights. One of them has been here since morning.

I rise to support these proposed amendments to the Finance Bill. One of the reasons is very simple. I have listened to many people, even Members of Parliament, who do not seem to understand that the Bill comes from the National Treasury to Parliament. It is not our Bill. Our role as members of the Departmental Committee on Finance and National Planning is to receive the Bill, conduct public participation and then incorporate public views when you are writing the report. When we are writing the report, we go clause by clause. We went through every clause in the Bill, looked at the messages and information we got from the public and then we did the report.

One of the reasons I support the Bill is the issue of avocado. The last Finance Bill required avocado farmers to register for e-Tims. I am happy that Clause 51 and by extension

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Clause 57 of the Bill seek to rectify that process so that any farmer with a gross turnover of less than Ksh1 million per year is not eligible to register for e-Tims.

I am also happy that we have removed tax on craft paper, because we use that paper for packaging tea. That will go a long way in ensuring that our tea is competitive and farmers get their rightful pay. The other issue is having the Housing Levy, SHIF and NSSF deductions as tax deductibles. Initially, one would be deducted PAYE before the three taxes are deducted. This means that they will be deducted first, which will put more money in employee's pockets because PAYE will be less.

On the issue of *boda boda*, I am happy that we will assemble motorcycles here, bringing their cost down. This will encourage more youngsters who want to go into self-employment to get some income. It is a very large community, a majority of whom are at the bottom of the pyramid.

The Finance Bill is fair because we will get money for our *Mau Mau* roads which have stalled. This is a good thing for the people in my constituency. That is why I intend to pass the Bill. We have also allocated Ksh50 million for electrification in each constituency. I am happy for my constituency. We are also getting more money for the Coffee Cherry Fund as a result of the Finance Bill. This is a plus for all coffee farmers. We need to support farmers. Without the Finance Bill, we cannot do what we plan to do.

Lastly, there was a proposal by KRA to have access to our personal data. We have proposed in our Report that KRA cannot access personal data. There is a Member who said something about the same. In the Report, we rejected that proposal. It is important we go through this Report.

I heard a very good proposal from a Member to differentiate between hatching eggs and table eggs. Bring that proposal to the House so that people using hatched eggs can be differentiated. As Members, we are reasonable and we will adopt it.

Thank you, Hon. Speaker.

Hon. Speaker: Hon. Nzambia.

Hon. Thuddeus Nzambia (Kilome, WDM): Thank you, Hon. Speaker, for giving me this opportunity to contribute to this Finance Bill.

Let me start by appreciating the Departmental Committee on Finance and National Planning. I may not be a good economist, but I am a good mathematician. The essence of this Bill is to make the life of Kenyans bearable. I appreciate that they considered removing motor vehicle tax and edible oil tax. Hon. Speaker, as I have told you, I am not bad in mathematics. This amount of money is hidden in another aspect by taxing Kenyans more. Adding Ksh7 to the Fuel Levy means that we have moved from 8 per cent to 16 per cent VAT.

Hon. Speaker: Hon. Nzambia, you have three and a half minutes left. We will start with you tomorrow in the morning.

Hon. Members, you may be upstanding.

ADJOURNMENT

Hon. Speaker: Hon. Members, the time being 9.00 p.m., the House stands adjourned until tomorrow, Thursday, 20th June 2024 at 9.30 a.m.

The House rose at 9.00 p.m.

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