

SPECIAL ISSUE

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REPUBLIC OF KENYA

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NATIONAL ASSEMBLY BILLS, 2025

NAIROBI, 6th March, 2025

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NATIONAL ASSEMBLY
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THE EXCISE DUTY (AMENDMENT) BILL, 2025**A Bill for****AN ACT of Parliament to amend the Excise Duty Act and for connected purposes**

ENACTED by the Parliament of Kenya, as follows—

1. This Act may be cited as the Excise Duty (Amendment) Act, 2025 and shall be deemed to have come into operation on 27th December, 2024.

Short title and commencement.

2. The First Schedule to the Excise Duty Act is amended in Part 1 by deleting the following item and the corresponding rate of excise duty—

Amendment of the First Schedule to Cap.472

<i>Description</i>	<i>Rate of Excise Duty</i>
Imported Fully Assembled Electric transformers and parts of tariff codes 8504.10.00, 8504.21.00, 8504.22.00, 8504.23.00, 8504.31.00, 8504.32.00, 8504.34.00	25%

MEMORANDUM OF OBJECT AND REASONS

The principal object of this Bill is to amend the Excise Duty Act to remove excise duty on imported fully assembled electric transformers. This excise duty was imposed in the Tax Laws (Amendment) Bill, 2024 with the intention to support local assemblers. However, the amendment has had negative effect on the manufacture and supply of transformers by increasing the cost of importing parts.

It is intended that this amendment will reduce the cost of electricity and enhance power connectivity through additional manufacture and supply of transformers to the Kenya Power and Lighting Company.

Statement on the delegation of legislative powers and limitation of fundamental rights and freedoms

The Bill neither delegates legislative powers to the Cabinet Secretary nor does it limit any fundamental rights or freedoms.

Statement as to whether the Bill concerns counties within the meaning of Article 110(1)

The Bill does not concern County Governments in terms of Article 110 (1) (a) of the Constitution and it does not affect the functions and powers of County Governments recognized in the Fourth Schedule to the Constitution.

Statement of the Bill as a money Bill within the meaning of Article 114 of the Constitution

The Bill is a money Bill within the meaning of Article 114 of the Constitution.

Dated the 5th March, 2025.

KIMANI ICHUNG'WAH,
Leader of Majority Party.