SPECIAL ISSUE

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NATIONAL ASSEMBLY BILLS, 2025

NAIROBI, 13th March, 2025

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THE VALUE ADDED TAX (AMENDMENT) BILL, 2025

A Bill for

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

ENACTED by the Parliament of Kenya, as follows—

Short title and commencement.

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

Amendment of the First Schedule to Cap. 476.

2. The First Schedule to the Value Added Tax Act is amended in paragraph 146 of Part I by deleting the words "twelve months after this date" and substituting therefor the words "twelve months from the date of commencement of this Act"

MEMORANDUM OF OBJECT AND REASONS

The principal object of this Bill is to amend the Value Added Tax Act. The Bill amends the First Schedule in paragraph 146 of Part 1 to remove ambiguity caused by the use of the words after this date, to emphasize that the provision was to apply twelve months from the date of commencement of the Tax Laws (Amendment) Act.

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 13th March, 2025.

KIMANI ICHUNG'WAH,
Leader of Majority Party.

The First Schedule to Cap. 476 which it is intended to amend—

EXEMPT SUPPLIES

PART I – GOODS

146. Such capital goods the exemption of which the Cabinet Secretary may determine to promote investment in the manufacturing sector:

Provided that the value of such investment is not less than two billion shillings, and the exemption was granted before 1st January, 2024 and shall continue to apply for twelve months after this date.