



REPUBLIC OF KENYA

THIRTEENTH PARLIAMENT

NATIONAL ASSEMBLY

THE HANSARD

17th June 2026

Vol. V No. 51

THE HANSARD

Wednesday, 17th June 2026

(The House met at 9.30 a.m.)

*[The Temporary Speaker
(Hon. David Ochieng') in the Chair]*

PRAYERS

QUORUM

The Temporary Speaker (Hon. David Ochieng'): Serjeant-at-Arms, ring the Quorum Bell for 10 minutes.

(The Quorum Bell was rung)

The Temporary Speaker (Hon. David Ochieng'): I order that the Quorum Bell be stopped. Clerk-at-the-Table, proceed.

PAPERS

The Temporary Speaker (Hon. David Ochieng'): Leader of the Majority Party, go ahead.

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

Reports of the Auditor-General and Financial Statements for the year ended 30th June 2025 and the certificates therein in respect of—

- (a) Alliance Girls High School;
- (b) Bulesa Day Secondary School;
- (c) Chelilis Girls Secondary School;
- (d) Lenana School;
- (e) Moi Forces Academy- Nairobi;
- (f) Nyandarua Boys High School;
- (g) St. Barbara Tala Girls' High School;
- (h) St. Charles Lwanga Otimong Secondary School, Busia;
- (i) St. Charles Lwanga Secondary School, Kitui County;
- (j) Starehe Girls Centre;
- (k) The Kenya High School; and,
- (l) Wamalwa Kijana Friends Secondary School.

QUESTIONS AND STATEMENTS

REQUESTS FOR STATEMENTS

The Temporary Speaker (Hon. David Ochieng'): We have a list in the Order Paper. The first chance goes to Hon. Adhe Wario. Is he in the House? Go ahead.

INADEQUATE ADMINISTRATIVE
UNITS IN NORTH HORR

Hon. Adhe Guyo (North Horr, KANU): Hon. Temporary Speaker, pursuant to provisions of Standing Order 44 (2)(c), I rise to request for a Statement from the Chairperson of the Departmental Committee on Administrative and Internal Security regarding the inadequate national Government administrative units in Illeret Sub-County of North Horr Constituency.

Illeret Sub-County, located along the Kenya-Ethiopian border in the North Horr Constituency, covers an approximate area of 4,041.5 km². Despite the expansive area, the entire sub-county is administered by only one chief and an assistant chief for the Illeret Location, making it impractical for them to effectively coordinate Government services across such a vast area. Consequently, the sub-county faces persistent cross-border security threats, weak coordination of security operations, delays in response to emergency security threats, and isolation of residents from reliable access to essential Government services.

On 15th June 2023, following public participation, residents of Illeret proposed the creation of additional administrative units, comprising Telesgaye Division, Elbokoch and Iollo locations, as well as Aibete and Lamadang sub-locations. The residents expected that the new administrative units would be operationalised expeditiously so as to enhance coordination of the national Government response to insecurity and bring Government services closer to them.

Regrettably, the Ministry of Interior and National Administration has neither gazetted nor operationalised the proposed units. This failure has deepened the historical marginalisation of the region and left residents exposed to insecurity and inadequate public service delivery.

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:

1. Reasons why Illeret Sub-County continues to operate under only one administrative location, despite being gazetted as a sub-county, its vast geographical expanse and persistent cross-border insecurity.
2. Specific timelines within which the Ministry of Interior and National Administration shall gazette and operationalise the proposed administrative units, namely, Telesgaye Division, Elbokoch and Iollo locations, as well as Aibete and Lamadang sub-locations.
3. Urgent interventions that the Ministry has or intends to undertake to address the cross-border insecurity affecting Illeret Sub-County along the Kenya-Ethiopian border.

Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. David Ochieng’): Is the Chairperson or the Vice-Chairperson of that Committee in? Whip of the Majority Party, if you cannot whip your chairpersons to the House, who will you whip? Your chairpersons are persistently not in this House when the House starts. What is your job?

Hon. Silvanus Osoro (South Mugirango, UDA): Hon. Temporary Speaker, in the absence of the chairpersons, I hold brief for them. They will be adequately informed.

The Temporary Speaker (Hon. David Ochieng’): That is not my issue. My issue is that your chairpersons are persistently not in the House when the House begins.

(Hon. Wanami Wamboka spoke off the record)

Order! Hon. Wamboka. It is not your business. It is my business. I would like to know from you why your chairpersons are never in the House when the House begins.

Hon. Silvanus Osoro (South Mugirango, UDA): Hon. Temporary Speaker, I will align the programmes with the Clerks so that they do not have committee sittings in the morning whenever we have morning sittings. Some have small businesses to finish...

The Temporary Speaker (Hon. David Ochieng'): And I am communicating that it is completely out of order for your chairpersons not to be in the House. It does not matter. The chairpersons must be in the House when the House begins every single sitting day. I order that this Request for Statement be answered by the Committee, but it is upon you to ensure that it is answered properly to the Member concerned.

Hon. Silvanus Osoro (South Mugirango, UDA): Much obliged. Thank you.

The Temporary Speaker (Hon. David Ochieng'): Next is Hon. Farah Yussuf. Is Hon. Caroli Omondi in?

Hon. Member: Absent.

The Temporary Speaker (Hon. David Ochieng'): He is absent? How about Hon. Caleb Amisi?

Hon. Member: Absent.

The Temporary Speaker (Hon. David Ochieng'): Which wananchi are they representing, and they are not in the House?

Hon. Caleb Amisi (Saboti, ODM): Hon. Temporary Speaker, I am around.

The Temporary Speaker (Hon. David Ochieng'): Okay. Go ahead.

DEMISE OF ENG. ROBERT MAGOTSI IN MOZAMBIQUE

Hon. Caleb Amisi (Saboti, ODM): Hon. Temporary 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 Defence, Intelligence and Foreign Relations regarding the mysterious death of a Kenyan in Mozambique. Eng. Moses Robert Magotsi, a Kenyan citizen of ID No.10xxxx16 and Passport No. A086xxx99 migrated to the Republic of South Africa in 2005, where he subsequently became a permanent resident. While on a visit to Maputo, Mozambique, Eng. Moses Magotsi tragically lost his life under unclear circumstances on 11th October 2025. The family of the deceased was in the process of making arrangements to repatriate his remains to Kenya for burial when they learned that his body had been cremated without their knowledge or consent.

The cremation was allegedly facilitated by a Kenyan national identified as Ms Victoria Wanjiku Muraya, despite the family's ongoing efforts to have the deceased brought back home for a dignified burial in accordance with their wishes. The circumstances surrounding the death and subsequent cremation of Eng. Magotsi raises suspicion on the motive of Ms Muraya in the facilitation of the cremation of the deceased without the family's knowledge. It also raises serious concerns regarding the protection of Kenyan citizens abroad, the adequacy of consular assistance and the procedures followed by foreign authorities before the disposal of the remains of a Kenyan national.

It is against this background that I request for a Statement from the Chairperson of the Departmental Committee on Defence, Intelligence and Foreign Relations on the following:

1. The circumstances surrounding the death of Eng. Moses Robert Magotsi in Maputo, Mozambique, on 11th October 2025, including the cause of death and the status or findings of the investigations.
2. The circumstances under which the body of the late Eng. Magotsi was cremated without the knowledge, consent or authorisation of his family.
3. The role, if any, played by Ms Victoria Wanjiku Muraya in facilitating the cremation of the deceased, and whether any investigations have been initiated into her alleged involvement and motive.

4. The actions being taken to ensure that the family of the deceased is furnished with all relevant documentation and repatriation of the remains of the deceased, for appropriate funeral rites and closure.
5. The legal safeguards and the standard procedures, if any, applicable to the processing of cases involving deaths of Kenyans abroad, repatriation of remains, and disposal of bodies outside the country, and confirmation as to whether the disposal of the body of Eng. Makosi complied with the said procedures.

I thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. David Ochieng’): The Chairperson of the Committee on Defence, Intelligence and Foreign Relations.

*(Hon. Caroline Ng’elechei and Hon. Marianne Kitany
consulted with Hon. Nelson Koech)*

The Member for Elgeyo Marakwet and the Member for Aldai were engaged in conversation with the Chairperson. The Chairman has just been asked a question, and I am certain he did not hear it due to your close discussions.

(Laughter)

Go ahead, Chairperson.

Hon. Nelson Koech (Belgut, UDA): Thank you, Hon. Temporary Speaker. To be honest, we were deeply in thought discussing the matter that is coming up shortly. What is your question?

The Temporary Speaker (Hon. David Ochieng’): I will let you sit down.

(Laughter)

I request the two Members near you to move to other seats, so that the Member for Saboti can ask his question, and you can listen with concentration. Member for Saboti, go ahead and repeat your question. Do not repeat the entire narrative; just reiterate what you are asking the Committee to do.

Hon. Wanami Wamboka (Bumula, DAP-K): On a point of order.

The Temporary Speaker (Hon. David Ochieng’): Yes, Hon. Wamboka.

Hon. Wanami Wamboka (Bumula, DAP-K): You know we are law-abiding Members here, and as such, we hold your position in high esteem. We respect your authority, and when the Speaker speaks, this House must act accordingly. Hon. Temporary Speaker, you have just directed that the Chairperson of the Departmental Committee on Defence, Intelligence and Foreign Relations should be left alone. Only one person has moved, while another has not, and thus, the distraction is impinging on your authority, which we will not allow. As opposition Members, we will support you, and we will not permit this.

(Laughter)

The Temporary Speaker (Hon. David Ochieng’): That Member will move from her seat. Please, Member for Elgeyo Marakwet, change your seat so that the Chairperson can listen. Now, go ahead.

Hon. Caleb Amisi (Saboti, ODM): Thank you, Hon. Temporary Speaker. In the interest of time, I will dwell on the last part.

Hon. Temporary Speaker, I request for a Statement from the Chairperson of the Department of Committee on Defence, Intelligence and Foreign Relations on the following issues:

1. The circumstances surrounding the death of Eng. Moses Robert Makosi in Maputo, Mozambique, on 11th October, including the cases of deaths and the status and findings of the investigation.
2. The circumstances under which the body of late Eng. Makosi was cremated without the knowledge, consent, or authorisation of his family.
3. The role, if any, played by Ms Victoria Wanjiku Muraya in facilitating the cremation of the deceased and whether any investigation had been initiated into the alleged involvement and motive.
4. The actions are being taken to ensure that the family of the deceased is furnished with all relevant documentation and repatriation of the remains of the deceased for appropriate funeral rites and closure.
5. The legal safeguards and standards procedures, if any, applicable to the processing of cases involving deaths of Kenyans abroad, repatriation of remains and disposal of bodies outside the country, and confirmation as to whether the disposal of the body of Eng. Makosi complied with the said procedures.

I thank you once again.

The Temporary Speaker (Hon. David Ochieng’): The matter relates to the death of a Kenyan in Mozambique. How long do you need to deal with this?

Hon. Nelson Koech (Belgut, UDA): Thank you. I would like to provide a response on Tuesday next week. This should be a straightforward matter.

The Temporary Speaker (Hon. David Ochieng’): Hon. Caleb Amisi, you have heard what the Chairperson has said. I also advise you to speak with him and provide the details so he can have the complete picture as the Committee prepares to respond to you. Is that agreeable?

Hon. Caleb Amisi (Saboti, ODM): Thank you. I am a Member of the Committee, and we will handle this as a Committee.

The Temporary Speaker (Hon. David Ochieng’): Next is Hon. Charles Kamuren.

EFFECTS OF RISING WATER LEVELS IN LAKES BARINGO AND BOGORIA

Hon. Charles Kamuren (Baringo South, UDA): Hon. Temporary Speaker, pursuant to provisions of Standing Order 44(2)(c), I rise to request for a Statement from the Chairperson of the Departmental Committee on Environment, Forestry and Mining regarding the devastating effects of the rising water levels in lakes Baringo and Bogoria on communities and public institutions in Baringo South Constituency.

The continuous rise in water levels of lakes Baringo and Bogoria has caused widespread destruction and displacement of communities, leading to the loss of homes, productive land, livelihoods, public infrastructure and essential social services. The crisis disrupted learning, caused community vulnerability, and left the residents uncertain about long-term Government interventions to safeguard lives and properties.

In addition to this, the destruction and imminent threat facing several educational institutions are of particular concern, with notable examples being Salabani and Ngambo primary schools and Ngambo Girls Secondary School, which are already submerged; Noosukuro; Kampi Samaki; Entepes; Kokwa; Lake Bogoria; Sokotei; and Lorok primary schools and Lake Bogoria Girls Secondary School, which are on the verge of submersion.

It is against this background that I request for a Statement from the Chairperson of the Departmental Committee on Environment, Forestry and Mining on the following:

1. Findings of any specific studies or assessments by the Ministry of Environment and Climate Change on the process of the rising water levels.
2. Ongoing mitigation measures for the environmental and socioeconomic impacts on affected communities and institutions.
3. Specific plans to protect, relocate or restore schools and public facilities submerged or under immense threats.
4. Budgetary resource allocation for disaster response, adaptation and community resilience programs.
5. Long-term climate adaptation and environmental management strategies to address recurring lake expansion and prevent further loss of land, infrastructure and livelihoods.
6. The status of any consideration or intervention to compensate affected households and institutions for their losses.

The Temporary Speaker (Hon. David Ochieng’): Hon. Kamuren, to which Committee are you directing this question?

Hon. Charles Kamuren (Baringo South, UDA): The Departmental Committee on Environment, Forestry and Mining.

The Temporary Speaker (Hon. David Ochieng’): What is your role in that Committee?

Hon. Charles Kamuren (Baringo South, UDA): I am a Member and the Vice-Chairperson of the Committee.

The Temporary Speaker (Hon. David Ochieng’): Return to that Committee. I will not ask the Chairperson to respond. Go to your Committee and raise this question yourself, ensuring that it is handled comprehensively with your leadership. If you have been following House proceedings, you would know that this matter was discussed comprehensively last week and was even referred to the office of the Prime Cabinet Secretary. I direct you to return to your Committee, follow up with them, and with the Office of the Prime Cabinet Secretary, so that this question can be answered comprehensively on this Floor within the next two weeks, or at the very least, in the first week after we return from recess.

Hon. Charles Kamuren (Baringo South, UDA): Thank you for that guidance. Lake Baringo is a fresh water lake while Lake Bogoria is a saline lake. They were previously apart by almost 38 kilometres, but now that distance has reduced to eight kilometres.

The Temporary Speaker (Hon. David Ochieng’): This is very good detail.

Hon. Charles Kamuren (Baringo South, UDA): This situation is quite challenging, and it was necessary for me to present this information on the Floor of the House for the benefit of every ministry concerned and also for the residents of Baringo to understand. This is a problem and it is not only for Baringo South. It cuts across.

The Temporary Speaker (Hon. David Ochieng’): Order, order. That is true and that is why, even knowing that you are the Vice-Chairman, I still allowed you to read your Statement. I did not stop you because you need your constituents to know that you are raising an issue on the Floor, but you are in a position where you can deal with this as Vice-Chairman of that Committee.

The Member for Soy.

Hon. David Kiplagat (Soy, UDA): Hon. Temporary Speaker, I am standing on a point of order. First, I have noted that Hon. Kamuren is the Vice-Chairman of that Committee and it is the Committee that is supposed to take up the matter and give a report to this House. Why is he entertaining the House instead of engaging the relevant officers of Government through that Committee?

The Temporary Speaker (Hon. David Ochieng’): Order. Hon. Kamuren is not just a Vice-Chairman. He is also the Member for Baringo South. He is entitled to ask the question he has raised on the Floor acting on behalf of the people of Baringo South. I think that ends the matter of Statements. Hon. Makilap, what is it?

Hon. Joseph Makilap (Baringo North, UDA): Thank you, Hon. Temporary Speaker. While I agree 100 per cent with my colleague, Hon. Kamuren, I am also equally affected. As you directed, this matter was discussed by almost the whole House, not only regarding Lake Baringo, but also Lake Turkana and Lake Naivasha. It was raised substantially by Hon. Wario last week. The Speaker ruled in this House that this phenomenon is a serious disaster in Kenya and he directed that the Prime Cabinet Secretary should appear before this House and give a comprehensive statement because it affects the whole country. This is a national phenomenon.

The Temporary Speaker (Hon. David Ochieng’): The matter will be handled appropriately as directed by the Speaker. In any case, Hon. Kamuren can raise this with the Prime Cabinet Secretary too.

Hon. Members, before we move to the next Order, let us welcome students from the following schools in the Public Gallery: Lugulu Boarding Primary School, Webuye East, Bungoma County; and Nairobi Muslim Academy, Langata Constituency, Nairobi County. We welcome them to Parliament and to follow our proceedings this morning.

Before we move to the next Order, there is a Response to a Statement by the Departmental Committee on Energy. Is the Chairperson in the House? I can see the Vice-Chairperson in the House and the Member who sought the Statement is the Member for North Horr, Hon. Adhe Wario, who is also in the House. Go ahead.

STATEMENT

DEVELOPMENT OF RENEWABLE ENERGY INFRASTRUCTURE IN NORTH HORR

Hon. Lemanken Aramat (Narok East, UDA): Thank you, Hon. Temporary Speaker. The submission by the Principal Secretary, State Department for Energy, follows a letter dated 4th June 2026. The National Assembly Departmental Committee on Energy requested the Principal Secretary, State Department for Energy in the Ministry of Energy and Petroleum, to make submissions regarding development of renewable energy infrastructure in North Horr Constituency as requested by Hon. Adhe Wario, Member of Parliament for North Horr Constituency. The following are the submissions as requested:

1. The rationale for continued investment in new solar mini-grids in Bubisa, Forole, El-Gade and Gas while existing mini-grids are not regularly maintained.

The Government remains committed to achieving universal access to electricity through both grid extension and off-grid electrification solutions. The ongoing investment in new solar mini-grids in Bubisa, Forole, El-Gade and Gas under the Kenya Off-Grid Solar Access Project (KOSAP) is intended to extend electricity access to currently unserved communities.

The Ministry wishes to clarify that the mini-grids in Dukana and Illeret are privately operated solar mini-grids with installed capacities of 35kW and 25kW, respectively. These facilities were developed through funding provided by the Foreign Commonwealth and Development Office (FCDO), formerly the Department for International Development (DFID) of the United Kingdom. Similarly, the Hurri Hills mini-grid is a privately operated facility that was established with support from the German Agency for International Cooperation (GIZ). Consequently, the operation and maintenance of these facilities do not fall directly under the mandate of the Ministry.

In regard to Government-owned facilities, the Ministry, through REREC, has developed 26 solar mini-grids across the country, including the Bulesa Solar Mini-Grid located within North Horr Constituency. Most of these facilities have been in operation for more than five years and have reached a stage where major maintenance, equipment replacement and system rehabilitation are required to sustain reliable service delivery.

The Ministry acknowledges that maintenance interventions of some of these facilities have been delayed due to budgetary constraints that affected the availability of funds for routine and major maintenance works. However, the Government has since allocated funding for rehabilitation and maintenance of the solar mini-grids, and procurement processes for the maintenance works, including at the Bulesa Solar Mini-Grid, are currently underway. The new mini-grids being implemented under KOSAP represent a different programme designed using lessons learnt from earlier mini-grid deployments.

The Temporary Speaker (Hon. David Ochieng’): Vice-Chairman, are you able to summarise your response?

Hon. Lemanken Aramat (Narok East, UDA): Alright.

2. Clarify the reasons for non-connectivity of North Horr Constituency to the Lake Turkana Wind Power Project despite proximity of the constituency to the project.

To address the connection challenges, the Government has adopted a dual approach comprising targeted grid expansion where technically and economically feasible, and deployment of off-grid solutions such as solar mini-grids in remote settlements. The Ministry remains committed to increasing electricity access within North Horr Constituency through ongoing investments in mini-grids, renewable energy systems, rural electrification programmes and future transmission and distribution infrastructure development.

In this regard, through funding from KOSAP and the Exchequer, the Ministry is implementing solarisation of boreholes, installation of new mini-grids and replacement of batteries in existing mini-grid projects. There is a table annexed to this report and we will give it to my colleague. He will read it.

The Ministry recognises North Horr Constituency and the greater northern Kenya region has low electricity connectivity relative to other areas of the country. This is partly due to the grid being too far and the high costs of extension of grid lines. In order to address this, the Ministry, through REREC, has adopted the following strategies:

1. Enhancement of the Corporation’s Renewable Energy Strategy by mapping out all potential areas for installation of modern mini-grids.
2. Application of the Affirmative action in allocation of budgets.
3. Enhanced adoption of alternative energy technologies like solarisation of boreholes to have a sustainable power solution to power the projects, to provide water for domestic use.

Regarding the plans which the Ministry has to invest and tap wind and solar power potential in the northern grid, the implementation of Phase I (200 Megawatts Marsabit Wind Project) is a five-year project with key milestones outlined as follows:

1. 2025–2026: Completion of Environmental and Social Impact Assessment (ESIA), avifauna (bats and birds) studies and Free Prior and Informed Consent (FPIC) study to ensure regulatory compliance and meaningful community participation.
2. 2026: Election of the Community Land Management Committee (CLMC) is scheduled between 22nd and 26th June 2026.
3. 2026–2027: Securing approvals from the National Treasury and Economic Planning and Cabinet approval for financial closure and contractor procurement rules through competitive bidding.

4. 2027: Manufacturing of project components and detailed logistic planning.
5. 2028–2029: Construction and installation of project infrastructure.

KenGen remains committed to delivering clean, reliable energy while ensuring tangible socio-economic benefits for communities, including employment opportunities, infrastructure development, and enhanced livelihoods.

I thank you, Hon. Temporary Speaker. I submit.

The Temporary Speaker (Hon. David Ochieng’): Thank you. Hon. Wario.

Hon. Adhe Guyo (North Horr, KANU): Thank you, Hon. Temporary Speaker. I agree with most of the responses, but I do not agree with the first response that mentions the agreement between the private investor and the Ministry of Energy and Petroleum. It is the Ministry's responsibility to ensure that these mini-grids function and serve their intended purpose. They have been off for the last three years.

We have made several attempts to talk to the Ministry and the Rural Electrification and Renewable Energy Corporation (REREC) to ensure these mini-grids work. It is not the responsibility of the community to engage with the private investor, since they did not sign the agreement between him and the Ministry.

(Loud consultations)

The Temporary Speaker (Hon. David Ochieng’): Order, Members. We want to listen to Hon. Wario.

Hon. Adhe Guyo (North Horr, KANU): The community knows the mini-grids were established and installed by the Ministry of Energy and Petroleum, which represents the Government of the Republic of Kenya, but not the investor.

The Temporary Speaker (Hon. David Ochieng’): Thank you. Hon. Ng’ikor, go ahead.

Hon. Nicholas Ng’ikor (Turkana East, JP): Thank you, Hon. Temporary Speaker. I am also affected by the mini-grids. All of them in the North Rift, which the Ministry of Energy and Petroleum constructed through REREC, have stalled. None of them is working. We fail to understand the Committee's response that it is the community's duty to liaise with the private investor who funded the mini-grids. It is the Ministry's duty to maintain them through REREC. We need another response which clearly states the right information, so that the people of northern Kenya can get power.

The Temporary Speaker (Hon. David Ochieng’): The Vice-Chairman of the Departmental Committee on Energy has heard these sentiments. Please, take up these matters and ensure they are dealt with.

*[The Temporary Speaker
(Hon. David Ochieng’) left the Chair]*

*[The Temporary Speaker
(Hon. Farah Maalim) in the Chair]*

The Temporary Speaker (Hon. Farah Maalim): Where is Hon. Yussuf Farah? Go ahead and request for a Statement.

REQUEST FOR STATEMENT

DISAPPEARANCE OF MR HASSAN BASH OMAR

Hon. Yussuf Farah (Wajir West, ODM): Hon. Temporary Speaker, pursuant to the provisions of Standing Order 44(2)(c), I rise to request for a Statement from the Chairperson

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of the Departmental Committee on Administration and Internal Security regarding the disappearance of a resident of Wajir West Constituency.

On 3rd June 2026, Mr Hassan Bash Omar of identification card No.34xxxx48, a resident of Makoror in Wajir West Constituency, was reportedly abducted outside Wajir County Referral Hospital and forced into a Toyota Land Cruiser Registration No. KDY 746G. The matter was reported at Wajir Police Station under Occurrence Book (OB) No.32/03/06/26. The disappearance of Mr Omar has caused great distress to his family, relatives and residents of Wajir West Constituency who remain concerned about his safety and whereabouts. Despite the matter being reported to the police officers, his family has yet to receive any information on the progress of the investigation.

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

1. The circumstances surrounding the alleged abduction and disappearance of Mr Hassan Bash Omar on 3rd June 2026 outside Wajir County Referral Hospital.
2. The status of the investigation into the matter reported at Wajir Police Station under OB No.32/03/06/26, including suspects identified, if any, in connection with the alleged abduction.
3. The steps taken by the National Police Service (NPS) and other relevant security agencies to establish the whereabouts of Mr Omar and secure his safe return.

I thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): Chair of the Departmental Committee on Administration and Internal Security. Is there a Member from the Committee?

Hon. Caroline Ng'elechei (Elgeyo Marakwet County, Independent): I am here.

The Temporary Speaker (Hon. Farah Maalim): Proceed and give an undertaking based on the urgency of this matter.

Hon. Caroline Ng'elechei (Elgeyo Marakwet County, Independent): Thank you, Hon. Temporary Speaker. We will respond in two weeks.

The Temporary Speaker (Hon. Farah Maalim): Will you give a response in two weeks?

Hon. Caroline Ng'elechei (Elgeyo Marakwet County, Independent): We can also give the response in the first week after recess, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): Hon. Farah. Two weeks is about the standard, which is okay. Give him the microphone.

Hon. Yussuf Farah (Wajir West, ODM): Hon. Temporary Speaker, this is a matter of life and death. It cannot wait for two weeks. I need a response next week, tomorrow or the day after. This is a matter that can be determined by the...

Hon. Members: Yes.

The Temporary Speaker (Hon. Farah Maalim): Committee Member.

Hon. Caroline Ng'elechei (Elgeyo Marakwet County, Independent): Hon. Temporary Speaker, according to the Standing Orders, maybe we can give a response after seven days, but not tomorrow.

The Temporary Speaker (Hon. Farah Maalim): Fair enough. We will give you seven days.

Hon. Caroline Ng'elechei (Elgeyo Marakwet County, Independent): Thank you.

Hon. Wanami Wamboka (Bumula, DAP-K): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): What is your point of order, Hon. Wamboka?

Hon. Wanami Wamboka (Bumula, DAP-K): The Member of the Committee should be factual. She cannot respond by saying “maybe”. Will you respond after seven days?

The Temporary Speaker (Hon. Farah Maalim): The Chair will ensure the specificity is captured. When exactly will you bring a response?

Hon. Caroline Ng’elechei (Elgeyo Marakwet County, Independent): Next week on Wednesday, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): It is so directed.

Hon. Caroline Ng’elechei (Elgeyo Marakwet County, Independent): On another aspect, yesterday, the Speaker of this House directed that the Chairperson of the Departmental Committee on Defence, Intelligence and Foreign Relations respond to my question that I asked more than two weeks ago on an urgent issue. Since he is here today, I would like him to respond to my question before we move on to the next item of business.

The Temporary Speaker (Hon. Farah Maalim): Chairperson of the Departmental Committee on Defence, Intelligence and Foreign Relations, Hon. Koech.

Hon. Nelson Koech (Belgut, UDA): Hon. Temporary Speaker, as much as she requests a response, my Committee is receiving a lot of frustration with the State Department for Diaspora Affairs. I engaged them last week and this week. Probably, I would seek at this point your indulgence, Hon. Temporary Speaker, because I have been unable to reach anyone to get that response. I have been trying, including my clerk, to reach the officer in charge of liaison. Please, direct them to take Hon. Members questions seriously. I seek your indulgence in that regard.

The Temporary Speaker (Hon. Farah Maalim): Being the Member of Parliament for Dadaab, I think the system we established under this Constitution is a frustration in itself. We used to have Ministers in the House here who were both legislators and in the Executive. Whenever they gave an undertaking and failed to perform it, there used to be sanctions from the Chair. You are the Chair; all you have to do is become a conveyor belt to another department. Now, personally, what direction do you think the Chair can give to the department?

Yes, what is your issue, Hon. Ng’elechei?

Hon. Caroline Ng’elechei (Elgeyo Marakwet County, Independent): Hon. Temporary Speaker, the relevant Ministry should take note that Kenyans in the diaspora remit Ksh650 billion to the economy of this country every year. Whenever they face challenges abroad, it affects even their families back home. In the case of this lady, she was killed barely six weeks after leaving Kenya. Remember, this is somebody whose parents sold everything so that she could go to Australia. So, when the relevant Ministry is not concerned or does not take the questions of this House seriously, there is a problem, and this House needs to decide on the State Department of Diaspora Affairs.

These are people who contribute to this country's economy, and we understand the challenge of employment. The diaspora is helping us. The Ambassadors are not helping us anymore, either, since most of them are aspirants and contestants. They linger around in Kenya campaigning, and whenever they are needed, maybe in their country of jurisdiction, they are frustrated equally. There is need for this House to decide and compel them to provide answers as soon as possible. For example, the Member next to me requires an answer from the Departmental Committee on Administration and Internal Security within seven days. Why do they fail to give answers as soon as they are required? My question is now three weeks old.

The Temporary Speaker (Hon. Farah Maalim): Yes, point taken. Hon. Member, proceed. You have the microphone.

Hon. Justice Kemei (Sigowet/Soin, UDA): Thank you, Hon. Temporary Speaker. If the Chairman of the Defence and Foreign Relations Committee is facing frustrations from the Ministry...

The Temporary Speaker (Hon. Farah Maalim): Yes. Absolutely no powers.

Hon. Justice Kemei (Sigowet/Soin, UDA): Correct, I am a Member of the Diaspora Affairs and Migrant Workers Committee. We face the same frustrations when we make enquiries about situations faced by Kenyans abroad. Hon. Temporary Speaker, if it pleases you, may you direct that the Cabinet Secretary himself to come to the House to respond specifically to that question and any other issues that we have raised?

Hon. Patrick Makau (Mavoko, WDM): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): Order! Hon. Makau is on a point of order. What is your point of order, Hon. Makau?

Hon. Patrick Makau (Mavoko, WDM): Thank you, Hon. Temporary Speaker. The Member is saying that he is a Member of the Diaspora Affairs and Migrant Workers Committee. The Chairperson of the Departmental Committee on Defence, Intelligence and Foreign Relations is a Member of Kenya Kwanza. Are they trying to tell us that those cabinet secretaries are incompetent?

The Temporary Speaker (Hon. Farah Maalim): Order!

Hon. Patrick Makau (Mavoko, WDM): Hon. Temporary Speaker, can you order them to bring an impeachment Motion?

The Temporary Speaker (Hon. Farah Maalim): Order, Hon. Makau. Order! You are out of order! They are here in their capacity as chairmen of their respective committees and as Members of Parliament. They do not run the Executive from Parliament.

Hon. Silvanus Osoro (South Mugirango, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): Yes. What is your point of order, Majority Whip?

Hon. Silvanus Osoro (South Mugirango, UDA): Hon. Temporary Speaker, the precedent set in this House on similar matters is that when the chairs of committees face difficulties reaching out to members of the Executive, they raise it through the House leadership. Listening to the Chair of the Departmental Committee on Defence, Intelligence and Foreign Relations, he moved you to direct that the Cabinet Secretary be compelled. That can only be done by the leadership on this Floor. So, the right procedure is for the Chairman of the Departmental Committee on Defence, Intelligence and Foreign Relations to submit, of course, his complaints to the House leadership now. We will compel the Cabinet Secretary to appear before this House to respond to such questions.

The Temporary Speaker (Hon. Farah Maalim): Hon. Chief Whip, I am sure you understand the separation of powers. We have the Executive, the Judiciary, and the Legislature here. The House can censure the Executive here. You can have a Motion of censure on any member of the Executive. But the House, I think, is not the best place to direct a Cabinet Secretary if he is not delivering or rather defending his own ministry on the allotted dates. Nonetheless, I will still go ahead and direct.

Hon. Adan Keynan (Eldas, JP): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): Yes, what is your point of order, Hon. Adan Keynan?

Hon. Adan Keynan (Eldas, JP): This is a House of records, and this is the first arm of Government. Article 1 of the Constitution, which I was glad to help draft, clearly stipulates that representation is the same as our sovereignty. Having regard to what the Member has said and Article 125, I feel this House is being misled. My good friend, the Chairperson of the Departmental Committee on Defence, Intelligence and Foreign Relations, cannot say that he does not have the powers. He has the power to call anybody at will and invoke Article 125. This is what it says:

(1) Either House of Parliament, and any of its committees, has power to summon any person to appear before it for the purpose of giving evidence or providing information.

The Temporary Speaker (Hon. Farah Maalim): Order, Hon. Keynan.

Hon. Adan Keynan (Eldas, JP): One second, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): Fair enough, Hon. Keynan, one second. The Chair has taken note of that. This is an allotted date for the Finance Bill.

Hon. Adan Keynan (Eldas, JP): The last bit of Article 125 is what I want to read. It says:

(2) For the purposes of Clause (1), a House of Parliament and any of its committees has the same powers as the High Court—

- (a) to enforce the attendance of witnesses and examine them on oath, affirmation or otherwise;
- (b) to compel the production of documents; and
- (c) to issue a commission or request to examine witnesses abroad.

If you read that together with the Powers and Privileges Act, which I was the sponsor of, clearly, my good friend, the power is in your hands. Compel and bring the information to the House.

The Temporary Speaker (Hon. Farah Maalim): Order, Hon. Keynan. Your point is taken. Can you give a firm undertaking on when you will have that answer in the House?

Hon. Nelson Koech (Belgut, UDA): Hon. Temporary Speaker, I am not just a Chairman. I lead a very powerful committee. I did not say that I am frustrated to get the response. I said it has taken a bit more time than I expected. When we finish this morning's session, I will personally walk into the Ministry of Foreign Affairs, State Department of Diaspora Affairs and I will have the response this afternoon.

The Temporary Speaker (Hon. Farah Maalim): Perfect. Very well undertaken. Next Order.

(Hon. Wanami Wamboka spoke off the record)

Order! Hon. Wamboka, what do you not understand? You have a problem because you are trying to learn the rules and how this issue will be managed without listening.

Hon. Wanami Wamboka (Bumula, DAP-K): My Statement has not been responded to.

The Temporary Speaker (Hon. Farah Maalim): It has been responded to.

(Hon. Wanami Wamboka spoke off the record)

The Temporary Speaker (Hon. Farah Maalim): Order! Not now. Approach the Chair and pick up another appropriate moment.

Next Order.

BILL

Second Reading

THE FINANCE BILL
(National Assembly Bill No. 26 of 2026)

(Moved by Hon. Kuria Kimani on 16.6.2026)

(Resumption of debate interrupted on 16.6.2026)

The Temporary Speaker (Hon. Farah Maalim): Listen, you have to understand everything. So, when you are on the Finance Bill, make sure you give it your full attention. But the moment you are out of the Finance Bill, you cannot come back. Ours is based on the Westminster System, which is called the House of Commons, and the Finance Bill takes precedence over anything and everything else, including what you are seeking right now. So, let us get this done, and then you can proceed.

Who was on the Floor? Hon. Mule.

*[The Temporary Speaker
(Hon. Farah Maalim) left the Chair]*

*[The Temporary Speaker
(Hon. David Ochieng') took the Chair]*

Hon. Stephen Mule (Matungulu, WDM): Thank you, Hon. Temporary Speaker, for this opportunity to contribute to the Finance Bill 2026. At the outset, I want to state very clearly that I oppose the Bill in its entirety for the following reasons, as outlined in different clauses.

Yesterday, we were treated to a drama in which some Members wanted us to give reasons for opposing the Bill. I want to remind the House that there are five important key issues to be canvassed in the Finance Bill. That is raising revenue, providing incentives to investors, protecting the public from harmful products, protecting investors and enforcing compliance in tax collection.

The Bill contains various Acts we need to address, and that is why I want to focus on the Income Tax Act, Value Added Tax (VAT) Act, Excise Duty Act, Tax Procedures Act, Miscellaneous Finance Levies, and other related Acts. To begin with, I want to dwell on the issue of Income Tax, Part II, Clause 2(b), regarding the expansion of the definition of management of professional fees to include card-based payments. Why are we opposing this clause? The Bill proposes to expand the definition of management of professional fees to include the charge fee and merchant service fee for card-based payments.

In that regard, this clause indicates that the cost will increase and effectively affect the tourism and hospitality industry, which, as a country, we cannot afford to raise any other taxes on. Therefore, I oppose the Bill in totality. On the same breadth, I will talk on the Income Tax Act, Clause 3(5), which restricts tax on gratuity payments to employees who have served for the last three years. This is a dangerous clause in the Bill that will definitely affect any employee with a contract of less than three years. This will disadvantage Kenyans in their ability to receive benefits after this proposal.

I urge Hon. Members in this House that we are not just dealing with a proposed Finance Bill, we are dealing with the lives of Kenyans. Therefore, under this clause, we do not have any other option, but to support the Bill or reject it, unless this clause is amended. Let us proceed to Clause 7 of the same Bill, which introduced an Odd Tax at a rate of 20 per cent on winnings for both residents and non-residents.

Our youth are participating in various competitions and activities worldwide. This clause denies young people in this country the opportunity to get what is right for them by introducing the Withholding Tax. I want to urge our colleagues to reject these clauses so that at least young people in this country can get their fair share. Also, this reduces the income of the better-established youth and the blue economy that the Kenya Kwanza Government has been talking about. I do not understand the Kenya Kwanza Government. They say they are pro-youth, they encourage them, and want to make the youth of this country have money in

their pockets. Clause 7 denies this country's youth that opportunity. That is why I call for the rejection of the Finance Bill 2026.

Clause 16 of the same Bill introduces a 60 per cent minimum threshold of deemed dividend on undistributed profits. It proposes tightening the deemed dividend rules by requiring that at least 60 per cent of the company's undistributed profits be treated as dividends if they are not distributed within 12 months. This is the same Government that is trying to encourage people to start businesses, yet it is introducing a clause that dictates how the company's profits must be distributed.

This will force businesses to reallocate dividends in line with their investment policy, and dividends are retained in the business for expansion. If you have a business today and some profits have not been distributed within the company, that money is ploughed back into the company to ensure it grows. With this Clause 16, we cannot afford to support the Bill anymore at any time or under any circumstances.

There is a change in clauses 18 and 19 in the same Bill. That is a change in the due date of filing taxes. I do not want to dwell on that. It was discussed yesterday, and I can assure you that the change in the tax filing date will definitely affect audit funds and may result in errors, leading people to hide the money that the same Government is looking for. These clauses require me to reject the Bill.

Clause 22, which is on the removal of the preferential Withholding Tax rate for East African citizens on dividends. The removal of this concession will increase the tax burden on cross-border investment in the East African region, thereby reducing Kenya's attractiveness as an investment destination. As we sit here, we are complaining that Tanzania, Uganda, and Rwanda have better investment-attracting regimes. If Clause 22 is implemented as it is in the Bill, I can assure you we will lose more investors to our neighbouring countries, and Kenya will remain a laughing stock for investors because of this clause. So, we call for the rejection of the Bill in its entirety, or we make amendments to it.

Let me go to Part III of the Bill, which is Value-Added Tax. Clause 28 of the Bill extends the waiting period for VAT refunds and bad-debt recoveries under Section 31 of the VAT Act. The VAT Act currently allows taxpayers to claim a refund on bad debt where the debt has remained unpaid for less than two years, for supplies and services provided, and the claim is made within 10 years. This will deem business funds for investment. The same logic, the Kenya-Kwanza Government thinks about creating a good business environment and at the same time brings a clause like this, is killing Kenyan business in Kenya today.

With Part III, Clause 28 of the Bill, we call for the rejection of the Finance Bill 2026. Under the same Part III, Clause 29 of the VAT Act, the expansion of tax invoice reassurance is required under Section 42 of the VAT Act. This section requires a VAT registered person to only issue a tax invoice for purchase at the time of making tax returns. It also limits members. This clause calls upon us, as Members, to reject the Bill. This may be a heavy burden of compliance to Small and Medium-sized Enterprises, which will kill the same businesses that ought to be helped

Last is the issue of items being moved from zero rating to tax exemption. There is a proposal to move items from zero rating to tax exemption, which will also have an effect. Moving of items to tax exemption will...

The Temporary Speaker (Hon. David Ochieng'): Next is the Member for Kabuchai. Hon. Members, please, anyone who does not have a card should get it and log in. Allow me as the presiding Chair of this session to follow the order that you used to log in.

Hon. Majimbo Kalasinga (Kabuchai, FORD-K): Thank you, Hon. Temporary Speaker. Today is a very important day for Kenya. It is a day when Kenyans everywhere are alert. The decision we will take in this House will affect their lives in entirety. I have gone through the Bill and noted that it does not align with the roadside pronouncement that was

made by the Head of State on taking care of workers who earn Ksh30,000 and below. The aspirations of the 1.5 million workers in this country have not been taken care of in the Bill. I have gone through the Bill. The Government should walk the talk. The 1.5 million Kenyan workers who are paid Ksh30,000 and below have 10 million people who rely on them. The President's promise to these people is not reflecting in the Bill. This is the only tax law Bill that comes to this House to be passed. No one, including the Minister and the director, can propose a tax law without this House considering and approving it. So, since the promise that the President made to this category of Kenyans is not captured, the Bill must be rejected in totality. When you go to it...

Hon. Silvanus Osoro (South Mugirango, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. David Ochieng'): What is out of order, Hon. Osoro?

Hon. Silvanus Osoro (South Mugirango, UDA): Hon. Temporary Speaker, my point of order is on relevance. What we are discussing today is the Report of the Departmental Committee on Finance and National Planning that is what before us. We are not discussing anything that is not in the Report. Regarding the issue raised by the Member for Kabuchai on the roadside pronouncement by His Excellency the President, it is the responsibility of this House to legislate on it. It is not for the Head of State to legislate on it. Having made his pronouncement, when he brings it here, we will have an opportunity to discuss it.

Hon. Members: No!

The Temporary Speaker (Hon. David Ochieng'): Order! Take your seat, Hon. Osoro. Hon. Jack Wamboka, this House will listen to Hon. Majimbo in silence. Hon. Majimbo will remain relevant in his submissions. You know very well that we are no longer in the old constitutional dispensation. We are in the new constitutional dispensation that gives Parliament powers. We do not need the President to do anything for us to discuss any matter in this House. What the President does out there belongs elsewhere, and you know that very well. Therefore, let us maintain decorum. I expect all of us to be decorous in this Morning Sitting, so that we can proceed with what we are doing.

(Loud consultations)

Order! Hon. Majimbo will be heard without any further points of order. Go ahead.

Hon. Majimbo Kalasinga (Kabuchai, FORD-K): Thank you, Hon. Temporary Speaker. I do not want to be tempted to sing because I am a very good singer. I do not want to be tempted to sing the song that Kenyans sang for Hon. Osoro at Gussi Stadium because it touches on his private parts.

(Laughter)

Back to the Bill, Part A, Section 1, Clause 169 touches on mitumba, in Kiswahili. In English, it is captured as "worn clothing and other worn articles." That product has been moved from zero rating to tax exemption. What does that mean? I am properly schooled. We know that when any tax cannot be claimed on mitumba, it will be passed on to the consumer. That is how the price of mitumba will increase. This House must be honest with what it is proposing to the country. I am referring to the same clause.

On the issue of non-residential rental income, the relevant clause imposing this tax says: "A tax to be known as non-residential rental income tax shall be payable by that non-resident person at the rate specified in the Third Schedule." I have gone through the Third Schedule. The only relative clause that is close to that is Clause C(i). It says; "In respect of a rent premium or similar considerations for the use of occupation or removable property, 30 per cent is payable." We want the Committee to tell us, before of the 30 per cent that has been proposed,

what was the percentage that tenants were paying to KRA as Withholding Tax in respect of rental income? It was 70 per cent. The Bill now proposes 30 per cent. What does that mean? If you are paying rent of Ksh10,000, you will have to submit Ksh3,000.

(Hon. Silvanus Osoro spoke off the record)

The Temporary Speaker (Hon. David Ochieng’): Hon. Osoro, allow Hon. Majimbo to finish his submission. You will respond to him. Go ahead, Hon. Majimbo.

Hon. Majimbo Kalasinga (Kabuchai, FORD-K): Hon. Temporary Speaker, the whole nation is watching us. This House makes laws for posterity. We must put Kenyans’ interest first. Kenyans are not fools. They are watching us saying in this House that the Bill has not proposed any tax on *mitumba* yet Clause 169 carries such a proposal. This puts us in a very awkward position. If I heard the Minister right while giving the Budget Estimates highlights in this House the other day, he reiterated that Kenyans who earn Ksh30,000 and below would be exempted from Pay-As-You-Earn (PAYE) tax. Any law that deals with taxation must be brought to this House through the Finance Bill. However, that is not anywhere in the Bill. That is why I am telling this Government that it will be a one-term government. It will be a one-term government because it does not carry the aspirations of Kenyans.

The Temporary Speaker (Hon. David Ochieng’): Hon. Members, I know the issues before us are emotive. Therefore, let us be factual. I have listened to Hon. Majimbo refer to Clause 169, but it is not there. So...

(Hon. Majimbo Kalasinga stood up in his place)

Order, Hon. Majimbo! Just sit down. Every Member in this House will have their say. In fact, I want to request that since all of us want to speak, if you get a chance to speak, you limit your intervention to five or six minutes. I do not want to control that myself. That way, every Member will get a chance to speak. I will be very happy if Members comply with that request. I want Members to be decorous. I will not stop any Member, whether they are opposing or proposing, from saying what they want to say. That is why I want all of us to have our time. Please, maintain decorum. The next Member on the queue is Hon. Mark Mwenje.

Hon. Mark Mwenje (Embakasi West, JP): Thank you, Hon. Temporary Speaker. I rise to raise some very serious issues against the Finance Bill, 2026. One of the issues that I have is on Clause 35. This specific clause imposes Excise Duty on cell phones, which seems to have moved from the point of importation to the point of activation. The issue here is that the Government does not lose any money. Why are we then transferring the levying of this tax from the point of importation, where an importer pays Excise Duty for, say, 50 cell phones, to the point of activation, where it is limited to a specific cell phone? My concern is with the Commissioner-General, because the point of activation links the phone to a specific person.

Hon. Temporary Speaker, as lawyers, you and I know the danger of not provide a definition for ‘activation’. What will be put in the phone at the point of activation? What if you put in a spyware? What if at a certain point, you can shut down a specific cell phone belonging to a specific person? Therefore, I do not see the point of Clause 35 because money is the same. Why are you changing it?

I do not want to belabour the issue of agency notice as contained in the Tax Procedures Act, in Clause 45. It was spoken to yesterday. I hoped that the Chair of the Committee would be here. Administration of a fair hearing is a constitutional right. The Leader of the Majority Party and Hon. Kaluma were very specific on how they think this has been abused, but it does not matter because it has been provided for under the Constitution. Therefore, even if we delete or amend this provision, I can assure you that somebody will go to court and this whole thing

will collapse. We might as well not play around with something that we both know goes against the Constitution.

Under Clause 23, on the Capital Gains Tax, whenever you have a transaction that derives value in Kenya, usually, the Capital Gains Tax is charged at the point where you reach a threshold of 50 per cent. That is the standard within East Africa and in quite a number of African countries. With this amendment, we are lowering it to almost 1 per cent. Our Income Tax law provides for about 20 per cent. This will scare away investors who come to Kenya because in most cases they are automatically exempted from the Capital Gains Tax payment since the value gained in Kenya does not achieve the 50 per cent threshold. Investors will runaway to our neighbouring countries. Who will lose? All investment firms, law firms and insurance companies will start losing business in Kenya. If you remember, one of the things that came up yesterday—I am happy that Hon. Rutto was here because he mentioned this issue—is that taxes should be predictable. That is what the Chair said yesterday. Everyone in the tax regime says that taxes should be predictable. It means that for a period of between five and ten years, anybody investing in Kenya should have an idea of how the tax regime will be.

While giving highlights on the Budget Estimates, Hon. Mbadi mentioned the 1.5 per cent withholding tax on scrap metals, and has been captured in this Bill. Can someone explain to me how predictable it is for this tax to be imposed in 2024, to be removed in 2025 and to be reinstated in 2026? How predictable is that? In three years, you have changed the tax status for scrap metals three times. Let me tell you what will happen. I am talking about my constituency, which hosts one of the largest steel-making companies in Kenya. Namely, Tononoka Steel Mills. What it means is that they will have to start reducing the number of people who work there. So, this provision directly impacts jobs. I will explain as I move forward.

I will also talk about coal. We have now imposed a 5 per cent Excise Duty on coal, which some cement and steel companies use. First of all, you should all know that coal is not available in Kenya. We import coal. At the current rate, Kenya is at 9.5 per cent. Uganda is at 1.5 per cent while Tanzania is at 2.5 per cent. All these countries import coal. Coal is used as a substitute for energy.

There is the issue of fuel prices that has affected some of my companies, which use diesel. When electricity was lost for two days, one of the companies in my constituency incurred a cost of Ksh3 million in two days. One of my companies uses about 248,000 litres of diesel per month for transport. When the price of diesel went up by Ksh46 per litre, it occasioned a cost increase of Ksh1,408,000 per month. Even though the price of diesel has since been reduced, you can prorate it and see the expenses. Then you increase the cost of coal as well.

On raw materials, especially in the steel and other sectors, things have changed. There is a levy of about 17.5 per cent. Allow me to stick to steel companies. Locally manufactured billets cost US\$650. Imported billets cost US\$490. Taxes for wire rods in Kenya are 47 per cent and for billets are 22 per cent. Our neighbours have 1.5 per cent in Uganda, 1.5 per cent in Tanzania and 1.9 per cent in Rwanda. What does that mean? It means that everything in the construction industry will go up. By increasing these taxes, the cost of constructing the affordable houses that we passionately talk about will go up. What does that mean? Cement and steel companies operating in Kenya are now opening small subsidiary outlets across the border in Uganda and Tanzania. The steel milling companies in Kenya will eventually stop manufacturing and become trading companies. Twenty-five steel-milling companies have relocated from Kenya to Tanzania and Uganda. They include one company from my constituency called Emco. Jobs have been lost in Nairobi, right in my constituency, because of some of the taxes that we have introduced. Some of our manufacturing companies have now become trading companies.

There is an EAC carve-out provision for goods that originate within the East Africa Community. By removing this specific carve-out, we have violated the same treaties that we have with other EAC member States. We are violating bilateral agreements that we have with the EAC member States. That means that, very soon, some of the privileges we enjoy while trading with Uganda, Tanzania and Rwanda will cease to exist. Why should our Finance Bill violate the EAC carve-out provision that was agreed bilaterally between all these countries?

Hon. Temporary Speaker, we need to clarify the issue of zero rating and exemption. We sit here and say: “We have exempted you from tax” but we all know that zero-rating is better than tax exemption. We have removed some imported clothes and worn-out clothes from zero-rating to tax exemption. It means you cannot claim input VAT. The devil is always in the detail. That means the cost of *mitumba* clothes will go up.

Finally, I will talk about the rental house income tax. I am a Member of Parliament from Nairobi. The entire Embakasi West Constituency comprises of rental houses. Some of the landlords are foreigners—non-residents. They are not in Kenya. Effecting the proposed non-resident rental house tax in the matter it has been discussed here means increasing house rent for all the people living in my constituency. For that reason and many other reasons, we should not terrorise others. Unfortunately, I cannot support this Bill as it is. We will bring many amendments to ensure that we do not burden Kenyans who are already...

The Temporary Speaker (Hon. David Ochieng’): Thank you very much. I am happy to listen to Hon. Mwenje because he has spoken for about 10 minutes without attacking anybody or going outside the script. He has done very well. If you all do as he did, we will have a very good debate. Hon. Jack Wamboka, this is your chance.

Hon. Wanami Wamboka (Bumula, Ford-K): Thank you, Hon. Speaker for giving me an opportunity to speak. First, let me make it clear that we will debate in a manner we deem fit and necessary as long as we conform to the rules of this House. Therefore, nobody should lecture us about aligning our debates or how to debate in this House. In that regard, Hon. Osoro should keep quiet.

(Laughter)

I rise to oppose the Finance Bill 2026 in its present form. At the outset, let me say what this debate is not about. It is not about whether the State needs money or not. Of course, the State needs money. Roads have to be built, hospitals must be restocked with supplies, and teachers have to be paid. Teachers and police officers, among other public servants, have to be hired.

My quarrel with this Bill is how the Government wants to raise revenue. When read closely, and more so the Schedules where the real work is done, it becomes clear that this Bill will make life more expensive for ordinary Kenyans. It does so quietly. It is like cancer. It eats you quietly but, ultimately, you are destined for death.

Hon. Temporary Speaker, my single biggest problem with this Bill is that it hides the price increases inside technical tax language. Its favourite trick is to move essential goods from zero-rated VAT to exempt VAT. To most Kenyans, these two words sound the same. Of course, it is very mischievous of the Government. They are not the same. The difference is that money gets out of the pocket of mwananchi.

When a good is zero-rated, the seller charges no VAT and still recovers the VAT paid on inputs. So, the goods are truly free of tax. When a good is merely exempt from tax, the seller charges no VAT, but he cannot recover the VAT on inputs. Therefore, that tax becomes a cost of doing business and it is passed on to consumers, who are the ordinary Kenyans. That is why we are saying life will become more expensive. The life for Kenyans is currently unbearable.

The Bill has taken medicine manufacturing inputs, animal feed inputs, solar and lithium batteries, electricity buses and even bicycles to VAT exemption. Who uses bicycles? It is the

common mwananchi. Every big person can afford a car. Clean cooking stoves and locally assembled phones have been moved from zero-rated to tax exemption. The Bill is quietly pushing costs to the consumer. The mwananchi will not see a new line on the receipt, but he will feel it at the counter. If you tax medical inputs, medicines automatically become more expensive, thus impacting healthcare negatively. Every government has a responsibility to ensure that it leads a citizenry that can afford healthcare. If the prices of medicines go up, the cost of healthcare automatically goes up. That is why we are saying that this Government must be sensitive to the day-to-day needs of the people. The cost of living is already high.

Hon. Temporary Speaker, we all represent Kenyans. It does not matter whether you represent a Kenya Kwanza citizen or a Linda Mwananchi citizen. A Kenyan is a Kenyan citizen. If you tax the inputs for clean energy, the family trying to leave charcoal and kerosene behind pays more. That is why I call this a cost-of-living Bill. It does not shout. It does not raise the headline VAT rate, but it raises the cost of living through the backdoor. Honestly, it kills slowly, and ultimately the mwananchi will go down.

I come from a sugarcane farming region. These taxes are now applicable to sugarcane transportation. Hon. Melly knows this because, at the end of the day, if this tax is introduced, manufacturers will pass the resultant cost to the consumer. We are still struggling with the tonnage prices that have been lowered by this Government. Whereas the cost of living is going up, the cost of tonnage for sugarcane is going down. Where on earth does that happen? It is only an insensitive government that does not respect itself that does such things. A Finance Bill should not punish people for buying the very goods that our own national policy tells them to buy. We cannot be standing here, talking about universal healthcare, food security and a green economy, and then proceed to approve tax measures that make healthcare, food, and clean energy more expensive. This is not revenue policy. It is contradiction written into law.

I am equally concerned that this Bill taxes the digital economy in a way that lands hardest on small people. It puts card payment fees, switching, clearing and settlement systems into a tax net, thus raising the cost of electronic payments. These are not luxuries. These are the payment roads of a modern economy. The trader receiving money on a card machine, the shopkeeper receiving payment through mobile money service, the young person paying online, the citizen paying for government services on through phones, all of them travel this road. The state has asked Kenyans to formally go digital and leave cash payment behind. It cannot, in the same breath, make the digital road more expensive. Who uses digital platforms? It is the young people. These are young people who probably just sit at home. They make a living out of the digital platforms. Some of them work at night. When the digital platforms are made more expensive, who is getting punished? You are punishing the very mwananchi you promised to uplift from the bottom upwards. It has now become from bottom to bottom and to bottomless bottom.

The Bill proposes a 25 per cent Excise Duty on mobile phones, charged at the moment the phone is activated. A mobile phone is no longer a luxury in this country, as we all know. A mobile phone may be a luxury for senior people in this country because you just need to call, and call and receive. However, for young people in this country, a phone is a way to earn a living. It is how a young person looks for a job. It is how students learn and receive their notes and work on their assignments. It is also how a farmer checks the market, how a mother sends money and how a citizen logs into e-citizen. To tax a phone at the point of activation is to tax the very doorway into the modern economy. The cost will be felt by students, job seekers, bodaboda operators, small traders, and other ordinary citizens. If the real concern is luxury handsets, then tax the high-end handsets and leave these young people alone to deal with their issues. A Finance Bill must raise revenue without making life unbearable for the ordinary mwananchi. The current Finance Bill will make life too difficult for many people.

The Temporary Speaker (Hon. David Ochieng’): Hon. Members, you will agree with me that I have given this side four uninterrupted opportunities. Therefore, I will also give the other side four opportunities. Thereafter, we shall return to this side. I have to be fair to the House. It does not matter what you do about that because I have made my decision. Accordingly, this side will have another four opportunities. I will follow the list. The first speaker on this side is Hon. Marianne Kitany.

Hon. Marianne Kitany (Aldai, UDA): Thank you, Hon. Temporary Speaker. Members are usually accustomed to seeing me seated at the front.

I rise to support the Finance Bill. I first wish to address the tax exemption and zero-rating of certain items, especially locally assembled mobile phones, electric buses, and lithium-ion batteries. The Bill initially proposed to move these items from zero-rated status to tax exempt status. However, the current proposal is to revert them to zero-rated status, as provided under the Finance Act, 2023. This will promote the industry and ensure greater market penetration and product affordability.

The second issue relates to the gratuity period for employees on three-year contracts. The Bill initially proposed an exemption on gratuity payments, which was open to all employees. The current proposal limits this benefit to employees on three-year contracts or longer. We will propose amendments during the Committee of the whole House, so that employees on one-year contracts also benefit from the gratuity exemption.

I also wish to raise the issue of scrap metal. The scrap metal sector has, unfortunately, contributed to the destruction of critical infrastructure through theft of copper cables and other installations that support electrification and railway services. The Bill proposes to introduce a 1.5 per cent Withholding Tax on the sale of scrap metal. This will regularise the market ensuring that all transactions conform to industry standards. More importantly, it will help secure the sector.

(Loud consultations)

The Temporary Speaker (Hon. David Ochieng’): Order! Could we listen to the Member for Aldai in reasonable silence?

Hon. Marianne Kitany (Aldai, UDA): Thank you, Hon. Temporary Speaker. The proposal will also ensure that revenue earned by scrap metal dealers is properly accounted for. The income generated from this business will be regularised ensuring that all dealers pay taxes.

I have noticed that many people do not want Kenyans to pay taxes. However, we need taxes to run this country. Therefore, the proposed 1.5 per cent Withholding Tax on scrap metal...

(Hon. Amos Maina stood up in his place)

The Temporary Speaker (Hon. David Ochieng’): Where is your card, Hon. Maina?

(Hon. Amos Maina spoke off the record)

I cannot see it. You are not supposed to stand up and raise your hand. You insert your card in the intervention slot. Proceed, Hon. Kitany.

Hon. Marianne Kitany (Aldai, UDA): Thank you, Hon. Temporary Speaker. The 1.5 per cent withholding tax will reduce revenue leakages within the industry. We want every Kenyan to pay taxes, so that the revenue collected can be used to grow our economy and cater for the expenditures approved by the Committee of Supply. We have already resolved to construct roads and undertake many other development projects.

The other issue is items being moved from zero-rated status to tax-exempt status to assist in budget management, so that our budget deficit...

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

The Temporary Speaker (Hon. David Ochieng’): What is out of order, Hon. Mwago?

Hon. Amos Maina (Starehe, JP): Thank you, Hon. Temporary Speaker. Is it honourable for the Member to insinuate that scrap metal dealers steal copper wires and damage railway infrastructure? There are genuine traders in the scrap metal sector.

Hon. Members: Yes! Yes!

Hon. Amos Maina (Starehe, JP): She cannot insinuate that we are imposing a tax because traders deal in stolen goods or vandalised infrastructure.

The Temporary Speaker (Hon. David Ochieng’): Point made. In my opinion, that is a point of debate, which you may raise when you get an opportunity to contribute.

Go ahead, Hon. Kitany.

Hon. Marianne Kitany (Aldai, UDA): Thank you, Hon. Temporary Speaker. I was referring to vandalism acts that occur within the sector. We all know that such incidents occur. I did not state that scrap metal dealers engage in theft. However, some may deal in vandalised materials. The introduction of the 1.5 per cent Withholding Tax will assist in regularising the sector.

I also wish to raise the issue of movement of items from zero-rated status to tax-exempt status, which will help reduce budget deficits. One major challenge we face in public debt management is the deficit arising from many zero-rated items. By moving these items to tax-exempt status, our budgeting framework will become more orderly and our financial records clearer. Our financial books are usually scrutinised whenever we seek financing or to borrow funds. Therefore, that will help our tax incentives.

Lastly, is the issue of mitumba, which many Members have spoken to. The proposals before us do not seek to increase taxes on mitumba, contrary to what has been suggested on the Floor of the House. The proposals originated from stakeholders in the sector. However, the Committee recommends that the proposed taxes should not be levied on mitumba items. Therefore, we do not anticipate any price increase of mitumba.

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

The Temporary Speaker (Hon. David Ochieng’): Let us have Hon. Osoro.

Hon. Silvanus Osoro (South Mugirango, UDA): Thank you very much, Hon. Temporary Speaker. From the onset, I fully support the Committee's Report. I also wish to address some of the matters raised by our colleagues.

This House has been informed that the Finance Bill seeks to impose a 16 per cent tax on mitumba. Nothing could be further from the truth. On the contrary, the Bill seeks to move mitumba goods to an exempt status. Currently, traders dealing in mitumba pay 16 per cent VAT. However, that provision in Clause 21 of the Bill has been deleted. It is no longer there. There is no proposal to increase taxes on imported mitumba goods. That assertion is untrue.

This House has also been informed about the non-resident landlords' tax.

The Temporary Speaker (Hon. David Ochieng’): You need to say that again because I have heard it and I almost believed it that there is a tax increase on mitumba. Could you, please, say that again?

Hon. Silvanus Osoro (South Mugirango, UDA): I really hope that Hon. Members are listening.

*(Hon. Kimani Ichung’wah and
Hon. Robert Mbui consulted loudly)*

Hon. Temporary Speaker, protect me from the Leader of the Majority Party and the Deputy Leader of the Majority Party. I do not know what the Deputy Leader of the Minority Party is convincing the Leader of the Majority Party about. I think he needs some lessons.

Hon. Temporary Speaker, this is my point. Far from what they are telling people that there is an increase in taxation on mitumba, the First and Second Schedules of this Bill speak to the contrary. There has been a 16 per cent tax on mitumba, which has been deleted under Clause 21 in the previous Bill. So, when they tell people that the price of mitumba will go up because of the increase in taxes and everything, that is a lie. In fact, it is actually being moved to an exempt status. It has been 16 per cent and now it is being moved from 16 per cent to the exempt status. That should be clear and I challenge any person who will rise to speak contrary to the Bill. That is one.

Number two, Hon. Temporary Speaker, they have told you or they have been addressing this House saying that there is an introduction of the Non-Resident Landlords Tax. What do we have currently? Landlords pay tax at the rate of 7.5 per cent currently. All the landlords who own houses pay 7.5 per cent in terms of tax, even the non-residents. Members of this House who are well schooled will tell you that you cannot tax a single item twice. What usually happens with the taxes on the landlords' income is that, currently, the non-resident landlords remit their taxes through their tenants. They are not residents of this country. For example, they live in the United States of America (USA) and work somewhere in Europe. It is the responsibility of their tenants to remit that particular 7.5 per cent on behalf of the non-resident landlords. This should be very clear.

Currently, it is at 7.5 per cent and all landlords pay whether they are residents or non-residents. However, the non-resident landlords remit their 7.5 per cent through their tenants who live here. So, what this Bill seeks to do is to, at least, reduce the hustle for the tenants not to be remitting on behalf of their landlords. I mean, it is just to tell them, "Hey, you non-resident landlords, pay or remit your taxes directly." It does not seek to introduce a new tax. It is not new. Hon. Makali Mulu, can you inform the House, honestly, that you cannot tax a single item twice? It is not practical and it is not possible. It is simply realigning the structure of payment from the tenants to the landlords.

There is also an issue that has been raised here about the gratuities. This Bill seeks to exempt employment gratuities from Income Tax. It is very particular, provided that the service contract covers a continuous period of, at least, three years. Honestly, why do you reject something like this one? How do you tell people that you are on contract and when your gratuity is being remitted, you pay Income Tax on your gratuity after serving for three years? This Bill seeks to exempt them from that. You are telling them that we are rejecting this proposal. Are we being fair? We are moving to the next step, which is the Committee of the whole House. If any Member here has an issue with that particular clause, the only thing you will have an issue with is the reduction of those three years, say, to two or one year, so that even those who are within the one-year cap can benefit from this. You cannot just say, "We reject this". How do you just reject a proposal of such nature when we seek to protect those people who are on contract from remitting Income Tax? There are many things that have been said here that are all lies.

This Bill also seeks to cap lifestyle assets by imposing a 50 per cent excise duty on only the excisable value of antique vintage and classic vehicles that are worth above Ksh10 million. At least, sort your bliss. Even as you bliss around the country, sort it. I invite my colleagues to read this Bill because what my colleagues are doing in this House is dancing to the tune of an old song, which is long gone—that, you know, our work is just to reject. That is not music anymore. Introduce something new. Challenge us and say, "This is not workable, let us work on this-and-that". However, by just saying "reject", you are speaking to yourself and dancing to old music of 1980s and nobody is listening to the guitar. It is already long gone.

This is the best proposal. It is going to save this country. It is going to help people. By saying you want a tenant to remit taxes on behalf of a non-resident, like what Hon. Mbui said yesterday, you want to continue adding the burden to the tenants. Let us be reasonable. It is

one thing to oppose, but it is another thing to be factual and place things on the table as they are. Give us the best proposal. You are saying the gratuity should not be for three years. Bring a proposal when we go for the Committee of the whole House in the afternoon, tomorrow, and just propose to reduce the exemption from three years to, at least, one year for contractual people. Do not just say, “reject”.

Hon. Temporary Speaker, with those many remarks, I beg to support. I know Hon. Kalasinga has learnt something. At least I have read for him. Thank you very much.

The Temporary Speaker (Hon. David Ochieng’): Well said. Hon. Cynthia Muge.

Hon. Cynthia Muge (Nandi County, UDA): Thank you, Hon. Temporary Speaker, for giving me this opportunity to add my voice to this Finance Bill of 2026. Allow me to acknowledge the Committee that sat through this very important document for a good number of days thus coming up with the suggestions and recommendations that they have given.

I am happy to see that the Committee went through most of the proposals brought to its attention. Most of the lobby groups that looked into the issues raised under the Finance Bill have commented on the same. I also want to acknowledge and support the very progressive parts of this Finance Bill. If you have had an opportunity to look at this Finance Bill, you will realise that it has a lot of progressive parts. It also has some parts that need to be looked into. Most times, the parts that need to be looked into normally overshadow the really progressive parts provided for in this Finance Bill.

If you look at the whole agenda and objective of this Finance Bill, you can see that it is trying to enhance tax administration. If you look at the specific clauses of this Finance Bill, you will realise that there are other wins for Kenyans that have been listed here. Hon. Temporary Speaker, because I do not have the luxury of time to look into each of the clauses, I only want to speak to some of the issues that I have noted and appreciated.

Allow me to speak to the issue of tax exemption on loans that have been taken for the purposes of building or buying houses. Now, Ksh360,000 is not little money. It is a lot of money for someone who gets an exemption when they are trying to get a place for themselves so that they can live. You can see that in Clause 10.

Look at the introduction of a pre-populated tax return system. Most of the business people who sometimes operate in these spaces do not have the technical know-how of what is needed of them or how what they do is described as. This Finance Bill is introducing a pre-populated tax return system. It will make compliance with tax returns better for the people who do business and those who need to file their returns, and, indeed, it is highly appreciated in this Finance Bill of 2026. It will also ensure that we have efficiency because we have also reduced the tax compliance issues that we have been dealing with for the better part of our lives. We also have a very interesting provision here. It has exempted excise duty on bottled water. When you buy bottled water in a shop, you wonder why you have to pay that amount of money for it.

This Finance Bill has addressed an issue that many Kenyans have been raising. Clause 3 has spoken to the issue of exemption of gratuity payment from taxation by the people who are retiring. For many years, people benefiting from gratuity have had to pay a second tax on the same. In this Finance Bill, it is explicitly clear that we cannot continue taxing gratuity. This is a plus for the people who are retiring or the people who have been rendering services in this country. They can get their gratuity without being taxed a second time. For me, that is a plus to Kenyans.

I have heard a lot of discussion regarding Clause 4 on introduction of non-resident rental income tax. If you are not a citizen of this country and you have some property that puts some money in your pocket, it is only fair that you also substantially and fairly contribute to the tax contribution in this country. This will enable us broaden our tax base. I do not think this is something that should be questioned. Some people and, in fact, most Members here have had an opportunity to travel to other countries. In those other countries, there are many

restrictions as to who can acquire property, especially the developed houses. There are many regulations in some of those countries. I do not think it hurts anyone for the people of Kenya to also be keen enough to make sure that anyone who comes here to invest and enjoy any income from an investment here, also fairly contributes to the tax of this country. As much as there is a lot of discussion around it, I think it is progressive. I support it.

I have also looked at Clause 29 which is on invoices for tax purposes. There was a provision that said that you must be registered for you to do tax remittance. Many business people have been using the lack of registration as a reason for not contributing to taxes. This particular provision under Clause 29 will help in the sense that everyone doing business and makes money must contribute taxes in this country.

Additionally, before I sit down, let me say something on Clause 31. The VAT at 16 per cent is the normal percentage. This will help us under the public-private partnerships (PPPs). This Finance Bill has spoken specifically on the 16 per cent VAT for any goods or services dealt with under the PPP. This is helpful because we need a lot of PPPs to help us implement some of the projects that we have around here.

Lastly, on tax issues, the Government of Kenya Kwanza had made commitments previously. One of them was the intention to limit zero-rating of items to only those that are being exported from this country. I think that is fair. As an administration, you must action the words and promises that you give to the people. Part of the promises that the Kenya Kwanza administration has given is to make sure that zero-rating is limited to exports. That will make sure that every person who exports goods or services gets a tax relief. The discussion about what can be zero-rated and what can be tax exempt, is one we should have as a country, a people and leadership. We should enlighten our people, so that they can have a clear understanding of what zero-rating and tax-exempt mean. For this case, I support that the Kenya Kwanza administration is actioning the promises to make sure that zero-rating is given to export products.

I support the Committee's Report and the way it has covered the proposals in the Finance Bill. I support the provisions that have been given here. The reason we are here today is the few provisions that we have a problem with. We shall sit during the Committee of the whole House and bring amendments that will then make those provisions a little bit more progressive than they are. I support the Finance Bill and the Committee's Report on the same.

The Temporary Speaker (Hon. David Ochieng'): Thank you. Hon. Members, today we have students visiting us from Kyamboo Secondary School from Mwingi West Constituency, Kitui County; and Jansil Junior School in Kajiado North, Kajiado County. They are seated in the Public Gallery. We also have students from Al-Ansaaru Nursery and Primary School in Kamukunji Constituency, Nairobi County. We also have students, in the Speaker's Gallery from Kilimani Senior School in Langata Constituency, Nairobi County. They are all welcome for the proceedings this morning, to see what goes on in Parliament.

Next on the list of the last four is the Member for Tinderet. Then we will come back this side for another four.

Hon. Julius Melly (Tinderet, UDA): Thank you, Hon. Temporary Speaker. I rise to support the Finance Bill. It is important to note that the Finance Bill went through extensive public participation. Also, the Report of the Departmental Committee on Finance and National Planning led by Hon. Kuria was tabled before the House.

*[The Temporary Speaker
(Hon. David Ochieng') left the Chair]*

*[The Temporary Speaker
(Hon. Martha Wangari) in the Chair]*

When the Finance Bill was first read in the House, it had very serious issues which I want to tell Kenyans. The Committee went out to meet Kenyans. They met institutions like the Institute of Certified Public Accountants of Kenya (ICPAK), manufacturers, and individual Kenyans who raised a lot of concerns which are in the Bill. The Committee managed to listen to the issues raised by Kenyans. I want to tell Members here that it would be improper to read the initial Finance Bill tabled in the House, without the proposals from the Committee. The purpose of this Finance Bill and the Report is to address the issues that Kenyans raised across board. The Committee, led by Hon. Kuria moved across over 13 counties. They met, listened, and finally tabled a Report in the House. It would be proper to ensure that as Members discuss this, they discuss the Finance Bill, the Report, and the proposals contained in that Report. This will ensure that we have an informed view of what we are telling Kenyans.

There are a number of amendments which we as Members of the House will propose to ensure that we have a Finance Bill that actually addresses the interests of Kenyans. There is the issue of strengthening international compliance by aligning the Kenyan tax framework with the standard global practice for trusts and virtual assets. There are many issues that Kenyans have raised, like the one on rental income tax for non-residents. The issue was that non-resident tax on rent was actually on the person who is paying tax, but now it is on the owner of the house. It still stands at seven per cent. There is not much difference. It not been raised to 30 per cent as alleged by Members from the opposite aisle.

We also have the issue that was raised by motor vehicle manufacturers on electric vehicles, among other issues. Zero-rating or exempting them will put a huge burden on Kenyans. I thank the Committee because it has zero-rated them and retained the initial response from Kenyans. I say this because a number of Members in the House are trying to incite the public that the Finance Bill has not reflected the views of Kenyans. In this Finance Bill, solar batteries, locally assembled phones, and electric vehicles have all been zero-rated. They have not been exempted. We do not want to burden Kenyans further. This is something everyone needs to know. These are proposals that have been placed before us. I urge Members of this House to support the Committee's proposals.

We have business groups that raised concerns about the proposal on the 60 per cent dividend distribution. There was a proposal that any dividend that has been raised by companies and there was an issue that it was not distributed well, and the money that had been retained was presumed to be profits, that money will be taxed. However, the Committee made a very important decision and deleted the entire provision. I have seen Members holding on to something that has already been deleted. I want us to know that the proposals that this House has made are for the benefit of Kenyans.

When we sit here as Members of Parliament, our intention is not to burden Kenyans with taxes on matters that are no longer in the Bill. Professional bodies also raised several issues. They strongly objected the removal of weekends and public holidays in the computation of timelines for tax objections. The Committee listened to them, and those are some of the issues we need to discuss and look into them.

We also have the issue of zero-rating the tax status for green energy products like the locally assembled vehicles, phones and others. Further, the Committee proposed adjustments to filing tax returns deadlines to give taxpayers more practical timelines. This is a very wise decision. It affects all Kenyans in every sector. By reducing that, it eases the pressure associated with strict deadlines for filing tax returns. The Finance Bill proposes to amend Section 29A of the Tax Procedures Act and safeguards legally requiring the Commissioner to disclose third party data sources used in assessments. This provision has been removed. It was trying to invade the privacy of Kenyans.

I urge Members to really look at what the Committee has done very well, as we critique and improve the Finance Bill. We need to have a balanced view, as we explain it to Kenyans.

We should not incite Kenyans by referring to provisions that are no longer in the Bill, and have been corrected by the Committee and Members. We already have proposals to ensure that what the House will arrive at and vote for is a Finance Bill that will spur the growth of the economy and businesses, and ensure that we get the revenues which are within range.

Lastly, the Committee deleted the punitive proposal on mid-dispute agency notices in order to robustly defend taxpayers' constitutional rights to justice. I want the House to get this clearly. The Committee decided that we need to remove punitive proposals on mid-dispute agency notices which affect the taxpayers. As Members of this House, our duty is to defend taxpayers and ensure that this Finance Bill will create a fair and objective society. This will ensure this country grows into a better country.

There is an issue which everyone has been talking about, the mitumba. I want Kenyans to listen to me on this particular issue. Every other time, Kenyans pay 16 per cent tax, but it has been exempted. This means mitumba traders will have better profits. This was a proposal in the Finance Bill. Mitumba traders appeared before the Departmental Committee on Finance and National Planning and gave their proposals. The Committee listened to them and proposed that mitumba would be exempted from paying 16 per cent tax. Who is the beneficiary? It is the Kenyan trader, taxpayer or mwananchi. This will assist us, as a country.

The Bill had also proposed 25 per cent Excise Duty on the excisable value of telephones for cellular and wireless networks. On this one, the Committee made a proposal to ensure that we do not take the issue of Excise Duty further to the use of the phone. They proposed to remove it. These are good things which the Bill addresses. I urge Members to critique and give proposals objectively, but not use them for political mileage. This is a good Finance Bill which we need to support. More importantly, we need to make it better for Kenyans and raise revenue which will spur the development of this nation.

Look at our roads, housing projects and other ongoing programmes. I support the Finance Bill. We will bring proposals to make it one of the best we have ever had.

The Temporary Speaker (Hon. Martha Wangari): Very well, Hon. Members. There is a lot of interest in this matter. Kindly do not raise your hands. I can see you on the screen. If Members keep their contributions brief, a lot of us will speak. Hon. Member for Kitui Central, Hon. Makali Mulu.

Hon. (Dr) Makali Mulu (Kitui Central, WDM): Thank you very much, Hon. Temporary Speaker. I also wish to add my voice to this important discussion. I have been seated here since yesterday listening to the contributions of Members. It is important that we put a few issues into perspective, so that we debate from an informed position.

This Finance Bill is a product of the Executive. What did they do? They conducted their public participation and then they took it to the Cabinet. After Cabinet's approval, it was brought to this House. This means the intentions of the Bill reflect the Executive's intentions to the Kenyans on taxation.

Once the Bill was brought to the House, it was tabled and referred to the Departmental Committee on Finance and National Planning. They conducted public participation. As a result, we have the Committee's Report which has not been adopted by this House. It is a proposal which will be discussed during the Committee of the whole House and Third Reading. Members who are telling others that the Committee has changed anything in the Finance Bill, we are yet to do that, as a House. As we debate, we need to look at the intentions of the Executive and those of the representatives of the people who have the Committee's Report. Members need to be free to debate the Executive intentions and those of the Committee.

This Finance Bill seeks to amend other Acts of Parliament like the Income Tax Act, the VAT Act and the Tax Procedures Act. On the basis of that, to fully appreciate this Bill, you need to look at the original Bills. Unless you compare the two, you will not get it right. It is also important to remind Members that this country has a document called Medium-Term

Revenue Strategy which provides the roadmap for revenue collection. It is important that you look at the macro environment under which we operate. That is the document which provides that environment. It proposes that as we move to the future, it is important that we move VAT from 16 to 14 per cent. Once you look at that document that way, then you realise that there are areas where we can do better. I want to go to the document and put some comments.

Where is the economy today? Any government which cares about the economy and its growth should think about putting more money into the pockets of people or allow businesses to have more cash flow. Based on that, you can grow the economy. Otherwise, in a situation where you take more money from the pockets of Kenyans or you restrict businesses, in terms of cash flow, then you are doing a disservice to this country.

Hon. Temporary Speaker, I want to comment on a number of clauses. We are talking about putting money into people's pockets. Any proposal deviating from that should be rejected. Initially, people want to claim tax refunds on bad debts after two years. This Bill is proposing that we push that to three years. The reasoning behind reducing the period from three to two years was to push more cash to the businesses in terms of cash flow so that they do more activities. When you extend that to three years, it automatically means businesses will not have enough money. You will have cash flow challenges and as a result, restrict the economy that you want to grow.

If you look at the clause that is talking about moving items from zero rating to tax exempt, a number of items have been pushed under Clause 31. This clause lists a number of items. When it is zero rated, it means you can claim VAT on the inputs to that item. When it is tax exempt, it means you cannot claim VAT on inputs. Therefore, immediately you move it from zero rating to tax exempt, automatically you make the item more expensive because the earlier VAT on inputs will be pushed to the consumer. That is why you see the issue of mitumba (second hand clothes) becoming controversial. My colleague has said mitumba has not been taxed. However, we have removed mitumba from tax exemption, but if you look at the original Bill, there is a proposal to tax the income from mitumba by five per cent. Once you do so, the price will automatically go up.

These are the issues that we are talking about. Who is targeted when it comes to mitumba, Hon. Temporary Speaker? It is the Kenyan who are at the lowest in terms of income bracket, and that makes mitumba expensive. That was the intention of the Government. It is good that our Committee has pushed out that element of profit. But we are not yet there because we might make our amendments here and when they go to the side of the Executive, they might not agree with us; which means you have to raise two-thirds; and if we do not, the Bill would remain at risk. We have to be careful. We are likely to see the price of mitumba go up, depending on what the Executive will do with our recommendations to change the Bill.

The other item is rent. We agree that we have been paying rent at a uniform tax rate of 7.5 per cent. The Bill is proposing that if you are a non-resident, you will pay 30 per cent of the income which comes from that rent. The question is, "What if I am a non-resident, but my house or mall is in Kenya and the people using them are Kenyans? If I have been making Ksh1 million in a month and the cost goes up by 30 per cent, I have no choice as a business person, but to push some of that cost to the tenant. That is the reason we are saying that by pushing more cost to the tenant, you will still be getting more money from the tenants and making things worse instead of improving them. So, Hon. Members, while this item looks very beautiful, it can be controversial.

Hon. Julius Rutto (Kesses, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Martha Wangari): Dr Makali, there is a point of order from Hon. Rutto.

Hon. Julius Rutto (Kesses, UDA): Thank you so much, Hon. Temporary Speaker.

With due respect to my senior and good friend, Hon. (Dr) Makali Mulu, who is a well-known economist, on the part of non-resident rental income and the profit out of it, we have to agree that resident and non-resident cannot compete. This is in the sense that the profits that are generated by non-resident shall be repatriated.

(Loud consultations)

And therefore, I want to invite my senior in that aspect; knowing that the profits that are generated here to be repatriated are going to discourage the economy. You cannot have the two, compete. We must provide an avenue for the local residents.

(Loud consultations)

The Temporary Speaker (Hon. Martha Wangari): Order, Hon. Rutto. Hon. Members, we had done very well. Hon. Makali Mulu, treat that as a point of information which you have not agreed to. Continue with your submission. It is a point of debate.

Hon. (Dr) Makali Mulu (Kitui Central, WDM): Hon. Temporary Speaker, what I wanted to say is this, irrespective of who owns the house or the mall, it is a Kenyan who lives there. And immediately the cost of taxation goes up, a Kenyan would suffer.

The third point is the issue of VAT on digital services. Any time you transfer through your card or M-PESA, it is supposed to increase. Automatically, that would amount to a fair share of money being taken from people's pockets, but is not helping the economy in terms of growth.

There is a controversial matter of the Kenya Revenue Authority determining your tax assessment through third parties or other information. As a House, we need to take time and think about it. What it means is that they can use the data and give you tax assessment which might not be real. The time you start appealing, a lot will have happened. We know what happens in this country and this is a matter that we need to think through.

Hon. Temporary Speaker, as I conclude because I am getting short of time, there are issues of tax brackets. When I look at the Committee Report, a number of our stakeholders recommended that we review the tax brackets because they thought that it was the 30 per cent promised. Hon. Members, if you want to put more money into the people's pockets and if the Committee is really helping us as Members of Parliament, it is important that we factor in new tax bracket bands. This will ensure that Kenyans who are earning less than Ksh30,000 pay lesser tax as promised by the Executive.

Hon. Temporary Speaker, I support and thank you so much.

The Temporary Speaker (Hon. Martha Wangari): Hon. Member for Mavoko. He seems not to be in. Let us have the Member for Kitui rural.

Hon. David Mwalika (Kitui Rural, WDM): Thank you very much, Hon. Temporary Speaker. I have been sitting here since yesterday and each side is taking...

(Loud consultations)

The Temporary Speaker (Hon. Martha Wangari): Hon. Members, order. You cannot purport to do the Speaker's job at all. Hon. Member for Kitui Rural, you are on the Floor.

Hon. David Mwalika (Kitui Rural, WDM): I have been seated here since yesterday, but I will request Members to look at the clauses critically. Being a Member of the Departmental Committee on Finance and National Planning, I know what we have done in regard to what the Members feel are offensive clauses. However, we also need to look at the clauses from the two sides. One, what Hon. Makali has been talking about, the non-residents

and what Hon. Rutto has been talking about on the same. However, you have to know that when you are a non-resident, if you are away for 183 days, you become a non-resident.

The issue is, if I put up a house in Tanzania, for example, and I am supposed to pay 30 per cent of the income as tax as a landlord, I have three options: One, I can bear the tax; two, apportion the tax and three, transfer all the tax to the tenants. But who is the tenant there? It is a Tanzanian. So, in this case, the tenant is a Kenyan and I think it is important we look at this thing from both sides so that we reduce some of these clauses. I have been part of the process of this Finance Bill and I have realised that very few people are talking about the good things in this Bill.

Hon. Temporary Speaker, Clause 3 talks about tax exemption on gratuity payments to employees who have served continuously for more than three years. This clause has two elements. One, it has a bad side because it disadvantages employees who have contracts of less than three years. It also has an advantage because it encourages employers to give contracts of more than three years. It is an advantage to the employees because they have longer contracts which they can use to borrow money from banks and invest. So, when we are looking at these clauses, I want us to look at the positive and negative sides.

Hon. Temporary Speaker, Clause 20 talks about exemption from tax on benefits paid due to death. For example, if somebody dies and is on a pension scheme, benefits to the dependants and beneficiaries are going to be exempted which is a positive thing. Clause 24(b) is proposing to reduce corporate tax on non-resident investors in the petroleum sector. You know how much we have been affected by the conflict in Iran. If we encourage investors from outside to explore and refine our oil in Turkana, the crisis that this country has been facing in terms of the cost of fuel will not continue. We are also going to create jobs because if we have fuel, then we are going to have petrochemical industries and we will create jobs.

The 20 per cent tax on betting winnings has negative and positive sides because it is trying to deter gambling. But when we are out there, the youth are saying this is part of their income because they are not employed. In Kilifi, we were told that *sisi kama waheshimiwa tumekunjwa* and, therefore, we cannot do anything. They told us that they are earning income from betting.

On the issue of tax amnesty and what Members have been saying of allowing the principal tax to be paid by 31st December, the proposal is that if you pay your tax by 31st December, there is a waiver for penalties and interest. This will ease the cost of doing business because most of the tax issues have been in court and, therefore, business is able to grow. There is also a proposal to increase the free threshold from US\$300 to US\$2,000 to accommodate the people coming from outside. That means you can now bring goods worth \$2,000 without being harassed by KRA at ports of entry. Is that a bad or a good thing?

Nonetheless, there are offending clauses. As a Committee, we have looked at them and proposed amendments. One of them is the proposal of a 60 per cent minimum threshold for undistributed dividends. Meaning that if you do not distribute your dividends, KRA will assess you and say you should distribute the 60 per cent undistributed and tax it. That one is interfering. As much as KRA wants to raise revenue which is a positive thing, it is interfering with the investment policy of a company. Most of the small companies want to retain and reinvest dividends so that they can expand.

Clause 18 is on the issue of filing taxes, whereby those who have nil returns are supposed to file within a month after the end of the year, and businesses are to file returns within four months. The good thing with this is that the Government will get taxes early. Two, the companies and the audit firms will employ more people. But it is also a cost to the businesses because it incurs the cost of hiring people to do that. The audit firms would be overworked and there may be issues of errors in terms of when the calculations are being done.

Clause 22 is proposing to remove preferential treatment withholding tax for East African citizens' dividends. If you have a company here and you are from outside, then you are supposed to pay Withholding Tax. This is going to discourage investors from East Africa. Two, the East African countries can also put taxes on our companies. I think we have the biggest investors in East Africa who are Kenyans. So, we also have to be very careful with that.

Clause 28 is on the issue of refunds being reduced from two to three years. This is something which we have been debating on, especially on VAT refunds on inputs. Most companies have been complaining that these refunds are not coming forward very fast. Therefore, they are straining their businesses.

Clause 31 on moving goods from zero rating to exempt, you cannot claim input VAT. If you take action on the issue of transporting raw materials from manufacturing of pharmaceuticals, animal feeds and transportation of sugarcane, it is going to affect the prices. The prices will definitely go up. We have also been fighting what we call tax consumption. In 2024, tax consumption in this country was Ksh510 billion which is quite a lot.

The Temporary Speaker (Hon. Martha Wangari): Your time is up. Member for Kigumo.

Hon. Joseph Munyoro (Kigumo, UDA): Thank you, Hon. Temporary Speaker. I oppose the Finance Bill as it is. I think one of the things that we have heard here is the issue of those earning less than Ksh30,000 that was promised by the Executive. The people who earn Ksh30,000 and less per month constitute about 50 per cent of all salaried workers. Among the taxes that the Finance Bill deals with is the Income Tax Act and we have not seen that anywhere. It is very important that we point out that, of all the promises that they keep making, is another unkept promise made by the Executive.

I will start with the issue of tax exemption and zero rating. Many people do not understand this and it is important for people to know. Once you hear that tax has been moved from zero rated to exempt, it basically means that that item will have 16 per cent more, because the person who is selling you the item will not claim input VAT. Input VAT comes from among other areas, power, electricity and your inputs. Therefore, when we hear that the proposal for the Finance Bill is to remove that for pharmaceutical products and you know that SHA is not working, it becomes more expensive.

Hon. David Kiplagat (Soy, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Martha Wangari): What is out of order, Hon. DK? Hold on, Member from Kigumo.

Hon. David Kiplagat (Soy, UDA): Hon. Temporary Speaker, the function of this House is to legislate. Therefore, pursuant to Standing Order 83, when a Member alleges that promises have not been made in this Finance Bill while it is the function of this House to make laws, what are you saying? Are you saying that you are impotent in your function?

My point of order is, do not bring allegations while it is the function of this House to make laws, and that is why we are discussing the Finance Bill? If you have to introduce amendments, do so and support them if you have the numbers.

The Temporary Speaker (Hon. Martha Wangari): Hon. Member for Soy, you have made your point. I have not heard what is really out of order. Member for Kigumo, did you mislead the House on the matter Member for Soy has raised?

Hon. Joseph Munyoro (Kigumo, UDA): No. Hon. Temporary Speaker, let me tell you something.

The Temporary Speaker (Hon. Martha Wangari): Tell the House.

Hon. Joseph Munyoro (Kigumo, UDA): The Finance Bill amends the Income Tax Act, the Excise Duty Act, the Value Added Tax Act, the Tax Procedures Act, the Statute Law (Miscellaneous Amendments) Act plus the Stamp Duty Act. Since this document comes from the Executive, through the National Treasury, if they wanted to deal with the issue of taxes,

they would have brought amendments to the Income Tax Act. As you correctly said, his point is pointless.

The Temporary Speaker (Hon. Martha Wangari): Hon. Munyoro, I am engaging you because I heard you, but I also heard the Member for Soy. What you are saying is that the debate we are having right now does not hold any water yet it is also in our mandate as a House. I think that is what Hon. DK has raised. Even as you debate, do not annihilate the same House you serve in.

Hon. Joseph Munyoro (Kigumo, UDA): Thank you, Hon. Temporary Speaker. I think it is an issue of misunderstanding. Hon. DK, I will bring the amendment so that you support it. But you cannot say...

The Temporary Speaker (Hon. Martha Wangari): That is in order, please, continue with your submissions.

(Hon. Wanami Wamboka consulted loudly)

Hon. Wamboka you are shouting that someone is raising his or her voice. Everyone is shouting and sometimes, even the Temporary Speaker is unable to hear exactly what to rule on. Can we just have decorum? Let us hear the Member for Kigumo.

Hon. Joseph Munyoro (Kigumo, UDA): Please, protect me from Hon. DK. I would appreciate it. Again, a lot of English has been used on this issue of phones. I remember the Cabinet Secretary for the National Treasury and Economic Planning visiting shops in downtown Nairobi, explaining to people why they were consolidating those taxes. Our people are not interested in what tax is where. What should have been explained is: If this tax is consolidated, will the phone be cheaper or more expensive? That is the only point Kenyans want to understand. Instead, we have been taken them round and round.

(Hon. Silvanus Osoro spoke off the record)

Hon. Osoro, I am an expert on this thing. I understand it. We have been taken around this issue and we are being told that it would be cheaper. But if you look at the cost of the phone once it is in the shop, how will they collect the money? If I buy a phone right now and give it to my mother in the village, once she activates it, she owes money to KRA, who will pay that tax? It is very important to be honest with our people. All we are trying to do is raise more funds by creating laws that do not make sense.

The Temporary Speaker (Hon. Martha Wangari): Member for Kigumo, do you want to be informed by Hon. Osoro?

Hon. Joseph Munyoro (Kigumo, UDA): No. How can I be informed by someone with less knowledge than I have? Thank you. It is for me to inform him.

(Loud consultations)

The Temporary Speaker (Hon. Martha Wangari): Order, Hon. Members. A Member's point of information must be accepted. You do not have to impute improper motive on your colleague. Just refuse the information.

Hon. Joseph Munyoro (Kigumo, UDA): I do not want to be informed.

The Temporary Speaker (Hon. Martha Wangari): Continue, you have your rights.

Hon. Joseph Munyoro (Kigumo, UDA): Another issue we have had a problem with is tax predictability.

Hon. Samwel Chepkonga (Ainabkoi, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Martha Wangari): What is out of order, Hon. Chepkonga? Make it a point of order.

Hon. Samwel Chepkonga (Ainabkoi, UDA): Hon. Temporary Speaker, I rise pursuant to Standing Order 83. Article 117 of the Constitution is very clear. There is freedom of speech. You do not need to shout at anyone or be hostile to people. You need to be friendly.

The Temporary Speaker (Hon. Martha Wangari): What is out of order, Hon. Chepkonga?

Hon. Samwel Chepkonga (Ainabkoi, UDA): Hon. Temporary Speaker, I am speaking on issues of accuracy. Hon. Munyoro is my very good friend and he knows that.

(Loud consultations)

The Temporary Speaker (Hon. Martha Wangari): Hon. Members, Order. Order, Hon. Chepkonga. Do not shout across the aisle. I have already said that you cannot be shouting. My screen is full with many names of Members who want to contribute, but we keep wasting time on non-issues. If you rise on a point of order, make it a point of order. Hon. Chepkonga, you have already taken a minute and you have not said what is out of order. Hon. Munyoro, continue.

Hon. Joseph Munyoro (Kigumo, UDA): Thank you, Hon. Temporary Speaker. Please, add me the time that has been taken away from my contribution. We have a proposal of changing tax on ceramics from Ksh50 per 500 kilograms to Ksh50 of the excisable value. That also increases the cost of building. We are trying to protect the common person; we cannot be talking more money from their pockets as we continue introducing new tax measures.

The other thing that has brought a lot of contention is the removal of VAT on clothing from 16 per cent to exempt. Again, it just means that if you sell clothes, you will not claim your input tax, and that also means that people will pay more. Remember, we have been increasing taxes throughout this regime since we started in 2022.

Let me go to the issue of tax predictability. We changed the scrap metal tax in 2023, and I was privileged to be part of the Committee. We changed it again in 2024, and now, we have done so in 2026. It means that no one can properly predict where the tax will be next year, even if they are preparing a business plan or want to invest in that industry. We passed a Bill, that tax should be predictable. The minimum period we should have is at least three years so that someone can plan. Currently, if you are an investor and you come to invest in this country, it means you will come under one tax regime this year, invest, and then next year, before you even finish construction, it changes. That makes it very hard to do genuine business. Scrap metal dealers are business people. They are genuine. Someone called them thieves, they are not. They are people who earn an honest living. They should have a predictable tax regime. Their businesses pay taxes.

We have also introduced Withholding Tax on dividends for our EAC members...

Hon. Julius Rutto (Kesses, UDA): On a point of information, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Martha Wangari): Member for Kesses, a point of information has to be accepted. Hon. Munyoro, do you want to be informed? Hon. Rutto, you said it is a point of information. Hon. Member for Kesses, I am indulging you because you are the Vice-Chairperson of the Departmental Committee on Finance and National Planning. Are you on a point of order or a point of information?

Hon. Julius Rutto (Kesses, UDA): A point of order.

The Temporary Speaker (Hon. Martha Wangari): What is out of order?

Hon. Julius Rutto (Kesses, UDA): Thank you. I rise pursuant to Standing Order 83.

(Hon. Wanami Wamboka spoke off the record)

The Temporary Speaker (Hon. Martha Wangari): Hon. Wamboka and team.

Hon. Julius Rutto (Kesses, UDA): The Member knows very well that scrap metal attracts taxes. However, the message he wants to pass to the members of the public is as if scrap metal is not subject to tax. He should not mislead others.

The Temporary Speaker (Hon. Martha Wangari): You have made your point. Members, please, stick to matters that we are able to substantiate.

Hon. Joseph Munyoro (Kigumo, UDA): Hon. Temporary Speaker, it is in the Bill.

The Temporary Speaker (Hon. Martha Wangari): I hear you, but I want you to stick to matters that you can substantiate without misleading not just the House, but the country.

Hon. Joseph Munyoro (Kigumo, UDA): Hon. Temporary Speaker, how did I mislead the House?

The Temporary Speaker (Hon. Martha Wangari): Could you respond to what the Vice-Chairperson has raised?

Hon. Joseph Munyoro (Kigumo, UDA): There is a proposal imposing a 5 per cent Withholding Tax on dividends for the East Africa Community (EAC) citizens. Is that true or not? Kenyans are the biggest investors in East Africa. What will happen if those other countries decided to reciprocate and impose even higher taxes on us? What will happen to our investors? Our banks are spread across Africa. Some of these tax measures have not been critically examined to protect Kenyan investors.

As much as we try to contribute, these interruptions interfere with our thought process. I have great respect for Hon. Rutto, but Hon. Temporary Speaker, you must protect Members who are contributing from this kind of shenanigans. We are here on very serious business.

The Temporary Speaker (Hon. Martha Wangari): Order, Member for Kigumo. The Members on my left have also been interfering with the Members on the other side. On the other hand, points of order raised under Standing Order 83 are legitimate and allowed.

Kindly complete your submission.

Hon. Joseph Munyoro (Kigumo, UDA): Thank you, Temporary Speaker. We have been very disciplined. We are here on very important business to ensure that we reject this punitive Finance Bill. We must protect Kenyans from a regime that appears intent on taking more money out of their pockets. We must reject it.

Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Martha Wangari): Very well. Finally, from my left, let us have the Member for Makueni. Thereafter, we will go to the other side.

Hon. Suzanne Kiamba (Makueni, WDM): Thank you, Hon. Temporary Speaker, for giving me an opportunity to contribute to this very important Bill, which will shape the future of our country.

I want to make two general observations. The Finance Bill is attempting to raise the highest amount of money that we have ever sought to raise in this country - Ksh4.8 trillion. We are trying to raise this amount at a time when Kenyans are at their lowest economic levels. This Finance Bill is not informed by the context in which we are operating. It is prescriptive rather than proactive. This Finance Bill is not for Tanzanians; it is for Kenyans. We must, therefore, be guided by the prevailing economic circumstances and the livelihoods of our people.

My second observation is that this Finance Bill is based on a capacity that our country does not have. A Finance Bill that will result in a Ksh1.1 trillion deficit demonstrates that we are biting off more than we can chew. In effect, we are burdening Kenyans unnecessarily.

Hon. Joseph Makilap (Baringo North, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Martha Wangari): What is out of order, Hon. Makilap?

Hon. Joseph Makilap (Baringo North, UDA): Hon. Temporary Speaker, I rise under Standing Order 83. Is it in order for the Member to mislead this House by stating that the Finance Bill is trying to raise Ksh4.8 trillion? That is the total budget of the country. The Finance Bill seeks to raise Ksh98 billion, not Ksh4.8 trillion. Therefore, she is misleading the House.

The Temporary Speaker (Hon. Martha Wangari): You have made your point. Proceed, Member for Makueni.

(Loud consultations)

Hon. Suzanne Kiamba (Makueni, WDM): Hon. Temporary Speaker, I believe I am very accurate because the money we are seeking to raise through this Finance Bill is Ksh4.8 trillion.

Hon. Members: No!

Hon. Suzanne Kiamba (Makueni, WDM): There are other components, but I am addressing the matter in its broader context. Hon. Temporary Speaker, I need your protection.

(Loud consultations)

The Temporary Speaker (Hon. Martha Wangari): Member for Makueni, do you wish to be informed by Hon. Wamboka?

Hon. Suzanne Kiamba (Makueni, WDM): Of course not. Oh sorry, yes!

(Laughter)

The Temporary Speaker (Hon. Martha Wangari): Hon. Members, that demonstrates how readily you accept information without first hearing who is offering it.

Hon. Wamboka, you have the Floor.

Hon. Wanami Wamboka (Bumula, DAP-K): Hon. Temporary Speaker, the other side is harassing the Member unnecessarily.

The Temporary Speaker (Hon. Martha Wangari): Are you informing the Member for Makueni?

Hon. Wanami Wamboka (Bumula, DAP-K): Yes, Hon. Temporary Speaker. I am informing the other Members that the Member for Makueni is correct because everything we are doing is geared towards financing a budget of Ksh4.8 trillion. So, the Member is right and the House is accordingly informed.

The Temporary Speaker (Hon. Martha Wangari): Order, Hon. Wamboka. Sit down.

Hon. (Dr) Robert Pukose (Endebess, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Martha Wangari): Hon. Pukose, what is out of order?

Hon. (Dr) Robert Pukose (Endebess, UDA): Hon. Temporary Speaker, when Hon. Wamboka rose, he was to inform the Member for Makueni and not the House.

What he is trying to pass across is misinformation. This Finance Bill seeks to raise Ksh90 billion. Secondly, it is not addressing the budget deficit as put by the Member for Makueni. We are not addressing that. I think it is important that when Members stand to speak...

The Temporary Speaker (Hon. Martha Wangari): Hon. Member for Endebess, do not debate.

Hon. (Dr) Robert Pukose (Endebess, UDA): I am not debating.

(Loud consultations)

The Temporary Speaker (Hon. Martha Wangari): Order, Hon. Members.

(Hon. Antony Kibagendi stood up in his place)

Take your seat, Hon. Kibagendi.

Hon. David Kiplagat (Soy, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Martha Wangari): Hon. DK is on a point of order.

Hon. Wanami Wamboka (Bumula, DAP-K): Hon. Ndindi can inform us.

The Temporary Speaker (Hon. Martha Wangari): Hon. Wamboka, Hon. Ndindi cannot inform you. You are not on the Floor. Proceed, Hon. DK.

Hon. David Kiplagat (Soy, UDA): Hon. Temporary Speaker, it is very important that when you are debating, you also give facts and if giving falsehoods, you also need to substantiate.

The Temporary Speaker (Hon. Martha Wangari): What is out of order?

Hon. David Kiplagat (Soy, UDA): The Member is alleging that the Finance Bill seeks to raise Ksh4.8 trillion yet we know very well that even the revenue we are trying to raise in this country is around Ksh3.6 trillion, with the rest covered through debt. Therefore, this Finance Bill is only raising Ksh98.5 billion.

(Loud consultations)

The Temporary Speaker (Hon. Martha Wangari): Order. Hon. Members, I know we have very many views about so many issues. However, I beg you. There is a Member on the Floor who has accepted to be informed by Hon. Wamboka, but he said exactly what Hon. Susan said. He repeated what she had said. So, allow me to give the chance back to the Member for Makueni to make her submissions because she was on the Floor. Considering our Standing Order on responsibility for statement of fact, let us be careful with what we say so as not to mislead not only this House, but also the country.

Member for Makueni, make your submissions.

Hon. Suzanne Kiamba (Makueni, WDM): Thank you, Hon. Temporary Speaker. I am very happy that you are listening to me. It means that I am making a point. My point is very simple. In summary, any Finance Bill must be contextualised. Contextualisation means conducting an analysis to address issues arising from the prevailing and changing economic situation. In this particular case, I am saying that we have a very ambitious Finance Bill that requires a lot of money yet we are dealing with a country whose citizens are at their lowest economic level. That is my point. As for the figures, you can fill in the gaps.

In my second point, I said that whenever we try to raise money, even at the family level, we must consider the capacity of the people to raise it.

(Loud consultations)

The Temporary Speaker (Hon. Martha Wangari): Hon. Member for Makueni, by forfeiting your remaining one minute, do you still wish to be informed?

Hon. Suzanne Kiamba (Makueni, WDM): How can I have only one minute?

The Temporary Speaker (Hon. Martha Wangari): Do you wish to be informed by the Member for Kiharu?

Hon. Suzanne Kiamba (Makueni, WDM): Yes, but, Hon. Temporary Speaker, it is not one minute.

The Temporary Speaker (Hon. Martha Wangari): You have accepted the information. Member for Kiharu, proceed.

Hon. Ndindi Nyoro (Kiharu, UDA): Hon. Temporary Speaker, thank you very much for giving me an opportunity to provide further information on what the Member has stated. First, I wish to remind all Members that no one is a repository of facts in this House. We all have different views.

As the Member has put it very clearly, we have a budget of Ksh4.8 trillion. On the revenue side, there is ordinary revenue, Appropriation-in-Aid (A-in-A), grants and deficit. It is only a deficit based on this House passing it. As we debate this Finance Bill, Members can come up with innovative ideas on how to raise more revenue and A-in-A, so that there is no deficit.

(Loud consultations)

The entire amount we are dealing with is actually Ksh4.8 trillion. It is important for the Members who are near me to respect the views of all Members because the Member for Makueni has made a very credible claim.

The Temporary Speaker (Hon. Martha Wangari): Order, Hon. Ndindi Nyoro. You have made your point. The reason I have allowed Hon. Suzanne to make her point is because I am inclined to allow many Members to speak because we are here for that debate.

Hon. Members, my screen is still full. If we agree to make short contributions, many of you will have time to speak. Member for Makueni, kindly complete your submission.

Hon. Suzanne Kiamba (Makueni, WDM): Thank you, Hon. Temporary Speaker. The second point is on VAT on digital financial platforms like Fuliza and others. Most of the poor people access money from these platforms. They are not included in the formal banks. Raising money from these financial platforms is denying poor people access to financial services. There is no serious country that denies money to the poor.

Since the Kenya Kwanza Government came into power, they did away with the Women Enterprise Fund and the Youth Enterprise Development Fund. Poor people have no access to money. You are now adding injury by proposing to add VAT on financial services. This means that the poor people will have no access to financial services. This will seriously suffocate the economy.

I have not heard anything significantly and explicitly...

The Temporary Speaker (Hon. Martha Wangari): Your time is up, Member for Makueni. Hon. Members, before I give the next Member the Floor, allow me to recognise students from Siwot Girls Senior School from Kuresoi South Constituency, Nakuru County, seated in the Speaker's Gallery. On my behalf, that of the House and your Member of Parliament, Hon. Tonui, from my county, we welcome you to the House to observe the proceedings.

The next chance will go to the Member for Marsabit, Hon. Naomi Waqo.

Hon. Naomi Waqo (Marsabit County, UDA): Thank you, Hon. Temporary Speaker, for giving me this opportunity to add my voice to this very important debate on the Finance Bill. I support it. I congratulate the Committee Members who have given their attention to this Bill and the entire process.

I went through the Report. What encouraged me most are the recommendations made by the Committee Members. They have suggested that we retain the strategic zero-rated VAT status for green energy items like locally assembled mobile phones and agricultural inputs. This will directly benefit all our business people who invest in these sectors. It will encourage them to continue investing, increasing their businesses and their incomes.

Again, Members of the Committee have also recommended adjusting filing tax returns deadlines to give individuals a practical window of four months and corporate bodies six months to submit financial returns. This will greatly benefit every citizen.

I also looked at the Bill and saw that it cares for the citizens. Its main objective is to generate approximately Ksh98.9 billion in revenue collection. That will benefit each one of us. It will benefit our economy and bring stability.

Again, the objective of this Bill is to strengthen international compliance by aligning Kenya's tax framework with standard global practices for trusts and virtual assets. Kenya is growing, especially under the leadership of our President, who is so committed to growing this nation and moving it into the first world. We have no other option than to be bold enough to grow our economy and also support our business people and our citizens, so that we can all grow together.

Again, the key proposals of this Finance Bill are as follows and I will just speak on a few. It offers massive relief to workers by exempting employment gratuities from Income Tax, provided the service contract covers a continuous period of at least three years. Many people who are working look forward, at the end of their terms or contracts, to receiving their gratuity. Exempting this from Income Tax will give all employees significant relief.

It will encourage Kenyans to work, knowing that when it comes to receiving their payment, we have taken care of them by exempting employment gratuities from Income Tax. That will help to ensure that whatever they receive is not interfered with. They will receive their full packages and benefit from them. That will comfort them, encourage and motivate them.

Again, on Value-Added Tax realignment, the Bill promotes green mobility technology by adding electric buses, bicycles and other related items. This will benefit Kenyans, because many of us will get into that space and also benefit, as we will spend less money on fuel and other costs.

Again, when you look at the Bill, it seeks to cushion local industries by exempting scrap metal inputs, animal feeds and raw materials. Many of our citizens work in these sectors and earn their income from them. By cushioning local industries, we will help Kenyans support their businesses and grow because, when they grow, the nation grows. When their businesses grow, our economy also grows.

Again, you can clearly see that this Bill aims to protect the agricultural supply chain. It introduces a VAT exemption on the transportation of sugarcane from farms to milling factories. What else do our farmers need? Because we have already introduced this VAT exemption, our farmers will benefit. When they do not pay for this transportation, they will enjoy their full income and that means their earnings will obviously increase.

I have also looked at the Bill and what I have observed is that many Kenyans are happy with it because we have increased education funding. The education sector is one of the main beneficiaries. We want our education sector to be stable. We want our young people to be future leaders and that is why our Government is investing heavily in the education sector. Many Kenyans are happy with what the Bill is already proposing. Many of our students are excited about this and are looking forward to benefiting from it, so that they can understand its value, educate themselves, and eventually lead this country in the future.

Again, the conversion of 20,000 intern teachers to permanent and pensionable terms has benefited many families and is something many Kenyans have been looking forward to. By doing that, the Government has provided stability and assisted teachers who have served as interns and those who will join the internship programme, with the expectation that they will eventually be absorbed on permanent and pensionable terms. Further, in this Bill, we have support for village elders amounting to almost Ksh3.9 billion. What more do we really need?

With those few remarks, I support the Bill. It is my prayer that we shall all support it so that Kenyans may ultimately benefit and we may transform the country.

The Temporary Speaker (Hon. Martha Wangari): Member for Ugenya.

Hon. David Ochieng' (Ugenya, MDG): Thank you very much, Hon. Temporary Speaker. This is neither the first nor the last Finance Bill. In fact, we have had numerous Finance Acts in operation over the years. Therefore, it is wrong to say that this Finance Bill alone is intended to raise Ksh4.29 trillion. It is not. We have had Finance Bills since Independence. Therefore, it is incorrect for Hon. Ndindi to lie to us that this Bill alone is intended to raise all the budgeted revenue. That is not true. It has never worked that way. Since 1963, Finance Acts have been resource-raising instruments. We need to agree on that.

Secondly, this Bill has undergone extensive consultations. Claims are being made that are not true and which must be debunked. On mobile phones, we are reducing the tax burden on handsets from 55 per cent to 25 per cent. We are making it easier for Kenyans to acquire phones. The only concern is to prevent circumvention, where people import phones through neighbouring countries like Uganda and Tanzania and then present them as originating from those countries. We must tell our people the truth. We are reducing the cost of phones, not increasing it.

Earlier today, I heard claims that we are increasing the cost of medical supplies. I want Hon. Jack Wamboka to listen carefully to this matter. In this Bill, we have reduced the cost of importing equipment used for renal treatment. We are reducing the cost of items used in kidney treatment. It is important that we also tell the truth.

This Bill is not only about increasing taxes. It is also about making tax administration easier and improving tax collection. As we discuss taxation, we must tell the truth. Mitumba traders themselves requested tax exemptions. They argued that zero-rating does not assist them, whereas exemption makes business easier for them. Indeed, there is little justification for applying VAT to mitumba because no value is being added. The proposal simply makes tax administration easier. Above all, this was a request from the industry itself. It was not introduced arbitrarily.

It is important to note that this Bill addresses an issue that requires attention in this country. We lose billions of shillings every year through tax refunds. Some of these refund claims are fraudulent. This Bill makes it easier for the Government to identify genuine refund claims and detect fraudulent ones so that public funds are protected.

This Bill is also intended to ensure that those who should be paying taxes on rental income do so. I heard claims that we are increasing taxes on rent. That is not the case. The truth is that we are making it easier to collect taxes from rental income earned by foreign landlords. You cannot tax local landlords and then exempt foreign landlords who do not reside here, whose locations are unknown, and who may be receiving rental payments outside the country. We want those taxes to remain here.

I have also heard discussion about scrap metal. Scrap metal is a source of steel in this country. However, when someone sells scrap metal, whether it is a discarded car bumper or an old *sufuria*, there is no value being added. Therefore, the issue concerns income taxation rather than VAT.

As we conduct these debates, we must separate policy arguments from misinformation and ensure that Kenyans understand what is contained in the Finance Bill. Let us tell Kenyans the truth and ensure that everyone understands what is happening.

Earlier today, I heard someone claim that we are increasing taxes on the transportation of sugarcane. This Bill reduces the tax burden on sugarcane transport, not increasing it. Therefore, if anyone claims that we are increasing taxes on transporting sugarcane, that is incorrect. Members of Parliament must tell Kenyans the truth.

Overall, this Bill is better than those we have had in the recent past. It simplifies tax administration, improves revenue collection, and responds to the concerns of Kenyans by avoiding the imposition of excessive taxes that would make their lives more difficult.

With those many remarks, I beg to support.

Hon. (Dr) Robert Pukose (Endebess, UDA): On a point of order.

The Temporary Speaker (Hon. Martha Wangari): What is out of order, Hon. Pukose?

Hon. (Dr) Robert Pukose (Endebess, UDA): Hon. Temporary Speaker, I believe we have exhaustively debated this matter. May I request that the Mover be now called upon to reply? That the Mover be called upon to reply. Put the question.

(Loud consultations)

The Temporary Speaker (Hon. Martha Wangari): Order, Members. Shouting does not add value to debate. Hon. Members, a Member has risen in his place and requested that the Speaker put the Question that the Mover be called upon to reply. I will now put that question.

(Question, that the Mover be called upon to reply, put and agreed to)

(Loud consultations)

Order, Members, the Question I have put is that the Mover be called upon to reply.

(Several Members stood up in their places)

Hon. Members: Division! Division!

The Temporary Speaker (Hon. Martha Wangari): You cannot purport to request a division without meeting the required threshold. If you do so, you know the numbers required.

(Loud consultations)

Order Members! The threshold is 30 Members, and I do not see 30 Members from where I am seated.

(Loud consultations)

I have counted.

(Loud consultations)

Order, Members. I have counted.

(Loud consultations)

Order, Members. The numbers do not meet the threshold. You are 14 Members.

(Loud consultations)

Order, Members. As it stands, the request does not meet the required threshold. Mover to reply.

Hon. Julius Rutto (Kesses, UDA): Thank you, Hon. Temporary Speaker. With the debate that has been made by Members, it is sufficient that this particular Finance Bill seeks to address the key issues facing the country. Therefore, I beg to reply.

(Loud consultations)

The Temporary Speaker (Hon. Martha Wangari): Order, Members.

(Several Members stood up in their places)

(Loud consultations)

Hon. Members: Division!

The Temporary Speaker (Hon. Martha Wangari): Order, Hon. Members. Our Standing Orders are very clear. The rise for Division was defeated because the Members on their feet were 14 against a required number of 30. The Mover has replied and I will, therefore, put the question.

(Several Members spoke off the record)

You do not need to guide the Speaker. Do not throw hands at the Speaker.

(Question put and agreed to)

(The Bill was read a Second Time and committed to Committee of the whole House)

(Loud consultations)

(Several Members stood up in their places)

Hon. Members: Division!

The Temporary Speaker (Hon. Martha Wangari): Hon. Members, we have counted the Members on their feet. They are 27. That request is, therefore, declined.

(Loud consultations)

We have properly done that. I have personally counted. It was less than 30.
Next Order!

BILL

Second Reading

THE KENYA REVENUE AUTHORITY (AMENDMENT) BILL (National Assembly Bill No. 28 of 2026)

The Temporary Speaker (Hon. Martha Wangari): Order, Hon. Members. We are now at Order No.9. Leader of the Majority Party? Who is moving Order No. 9?

Hon. Silvanus Osoro (South Mugirango, UDA): Thank you, Hon. Temporary Speaker. I beg to move that the Kenya Revenue Authority (Amendment) Bill (National Assembly Bill No.28 of 2026) be now read a Second Time.

(Loud consultations)

Hon. Temporary Speaker, protect me. This is a straightforward minor legislative clean up to align our tax administration laws with contemporary realities. The Bill contains critical legislative updates designed to streamline the administration of revenue collection laws in our country. The Bill introduces procedural and terminology updates to reflect the current corporate governance structure of the Authority. This is a non-money Bill under Article 114 of the

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Constitution and will not require additional public funding. It fully respects devolution as it does not affect or alter any functions of county governments.

The primary objective of the Bill is to modernise the Kenya Revenue Authority Act by removing obsolete structural terms. It also seeks to synchronise the schedule of revenue related laws with recently enacted and repealed legislations. The Bill aims to clean up legal reference to ensure absolute clarity and prevent statutory conflicts during enforcement.

Hon. Temporary Speaker, Clauses 2 and 3 propose deleting the term ‘ex officio’ from Sections 7 and 8 of the principal Act. This deletion is necessary because the term no longer fits the current composition and structure of the board. The section of the KRA Act establishes a crisp board composition that includes the Chairperson, Commissioner-General, Principal Secretary for National Treasury and Economic Planning, Attorney-General and six independent members.

Clause 4 updates the First Schedule by replacing the outdated Standards Levy Order of 1990 with the current 2025 Order. The Bill officially deletes reference to the old repealed Sugar Act. I urge the House to support these non-contentious amendments to ensure our legal books remain clean, accurate...

(Loud consultations)

(Several Members stood along the aisle)

The Temporary Speaker (Hon. Martha Wangari): Order, Hon. Members. Hold on, Hon. Osoro. I know many of you really want to be thrown out of this chamber. I am not doing it. Give Hon. Osoro a chance to finish up. We only have two minutes.

(Loud consultations)

Hon. Silvanus Osoro (South Mugirango, UDA): In conclusion, this meeting adjustment shifts the board’s focus away from day-to-day micromanagement towards sustainable long-term oversight, performance trends and risk management. I urge the House to support these non-contentious amendments to ensure our legal books remain clean, accurate and functional. I request the Chair of the Departmental Committee of Finance and National Planning, Hon. Kuria Kimani, to second.

Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Martha Wangari): Order, Hon. Members. Hon. Kimani, hold your horse.

(Loud consultations)

(Several Members stood along the aisle)

Order, Hon. Members. Our time for this sitting is up. Be upstanding.

ADJOURNMENT

The Temporary Speaker (Hon. Martha Wangari): Hon. Members, the time being exactly 1.00 p.m., this House stands adjourned until Wednesday, 17th June 2026 at 2.30 p.m.

(The House rose at 1.00 p.m.)

Prepared by:

*Directorate of Hansard and Audio Services
National Assembly
Parliament of Kenya.*

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Published by:

*Clerk of the National Assembly
Parliament Buildings
Nairobi, Kenya.*