

Twelfth Parliament

Third Session

REPUBLIC OF KENYATWELFTH PARLIAMENT – FOURTH SESSIONTHE NATIONAL ASSEMBLYVOTES AND PROCEEDINGSWEDNESDAY, APRIL 22, 2020 (AFTERNOON)

1. The House assembled at thirty minutes past Two O'clock
2. The Proceedings were opened with Prayer
3. **Presiding** – the Honourable Speaker

4. **COMMUNICATION FROM THE CHAIR**

The Speaker issued the following Communications:-

**(i) COVID-19 Response Measures by the National Assembly**

“As you are aware, the Country continues to grapple with the challenges of the COVID-19 Pandemic and the Government of Kenya has taken various measures to curb the spread of the pandemic. In furtherance of the initiatives by the Government, the National Assembly continues to implement response measures and targeted interventions to mitigate the spread of the virus, and prevent transmission of the disease within the precincts of Parliament. The said measures are in line with guidance and advice by the Ministry of Health and the World Health Organization (WHO). Towards this end, I, as your Speaker, have issued several guidelines and undertaken to continue reviewing the guidelines to incorporate any new measures, as necessary, including review of the manner of conducting House and Committee business.

**Honourable Members** will recall that part of our early response measures included encouraging all Members of Parliament and members of staff to undergo voluntary COVID-19 testing and that a voluntary testing exercise for Members and staff was carried out between 2<sup>nd</sup> and 4<sup>th</sup> April, 2020, here, within the precincts. In this regard, I wish to confirm that for all the individuals who tested, including all Members of Parliament from both Houses and members of staff, **there were, quite thankfully, I must say, NO confirmed COVID-19 cases.**

However, **Honourable Members**, let me sound a word of **caution**. We should not relent and we must continue to uphold the sanitization measures including wearing of face masks at all times, hand-washing or use of hand sanitizers and observing strict social distancing , amongst other measures.

In this regard, **Honourable Members**, the Parliamentary Service Commission is in the process of organizing another testing exercise. This exercise, which will be voluntary, is targeted at all Members of Parliament and all members of staff. Further, staff of contracted cleaning companies working in Parliament will also be required to be tested.

**Honourable Members**, I encourage all of you and all members of staff to take advantage of the opportunity to take the test that the Parliamentary Service Commission and the Ministry of Health are providing free of charge. The dates when the excise will be undertaken will be communicated as soon as practicable.

The House is accordingly guided.

**I Thank You.”**

**(ii) The Implication Of the Rejection by the House of a Special Motion Proposing the Rejection of Nominees for Appointment to the Teachers’ Service Commission**

“**Honourable Members**, you may recall that, early today, the House rejected a Motion under Order No. 10 of the Order Paper for the morning Sitting of today, Wednesday April 22, 2020. The Motion, which was moved by the Departmental Committee on Education and Research, was asking the House to reject the appointment or Mr. Mbage Njuguna Ng’ang’a and Ms. Leila Abdi Ali as members of the Teachers Service Commission.

**Honourable Members**, the question now before the Speaker is, “**What is the implication of the House rejecting a Special Motion which is couched in the negative?**” Certainly, it cannot be that the House has approved the nominees, because a decision of the House to that effect ought to be unequivocal. On the same vein, it certainly cannot be that the House has rejected the appointment of the said nominees.

**Honourable Members**, this is not the first time that the House is confronted with a scenario of the nature presented by the forestated question. In answering the question, I am therefore informed by a decision made by my predecessor in the Tenth Parliament, whereupon a Motion asking the House to reject proposed appointment of one Mr. Mumo Matemu as the Chairperson of the Ethics and Anti-Corruption Commission (EACC) was rejected by the House. At that time, in 2011, my predecessor did observe that in such circumstances, “the nominees stand”, implying that the nominees still remain before the House, considering that the nominees have neither been approved nor rejected by the by the House. The then Speaker did add that, it was incumbent on the mover of the business in question or indeed any other Member of

the House to determine whether or not to move a positive Motion for the approval of the nominees by the House.

**Honourable Members,** I hasten to state that I am not about to deviate from that precedent set by my predecessor. In fact, I agree with him, that an “approval of appointment” as contemplated by the Constitution and statutes is an **affirmative and unequivocal approval by the House**, and cannot be deduced from the rejection of a Committee Report. In such circumstances, the onus is on the relevant Committee or any other Member of this House to give notice of a motion to that effect, **phrased in positive terms.**

**Honourable Members,** I wish to inform the House that I have this afternoon received and approved a new Notice of Motion from the Leader of the Majority Party, the Hon. Aden Duale, EGH, MP, asking the House to approve the appointment of Mr. Mbage Njuguna Ng’ang’a and Ms. Leila Abdi Ali as members of the Teachers Service Commission. Should that Motion be carried, then the decision of the House will be construed unequivocally. Similarly, should the positive motion be negated by the House, the decision of the House will have been made unequivocally.

The House is accordingly guided.”

**(iii) Consideration of the Tax Laws (Amendment) Bill, 2020: Exemption of Certain Amendments**

*[this Communication was made just before consideration of Order No. 9 on the Order Paper regarding Committee of the Whole House on the Tax Laws (Amendment) Bill (National Assembly Bill No. 20 of 2020)]*

“**Honourable Members,** as you are aware, the Departmental Committee on Finance and National Planning has been conducting public participation on the Tax Laws (Amendment) Bill (National Assembly Bill No. 8 of 2020) in accordance with the provisions of Article 118 of the Constitution and Standing Order 127.

**Honourable Members,** as you will recall, the Tax Laws (Amendment) Bill, 2020 amends several tax-related laws in order to implement various measures to cushion Kenyans from the adverse economic effects of the *COVID-19 Pandemic*. The Committee Chairperson has informed me that, during public participation, the Committee received various views and submissions from the public, stakeholders and even Honourable Members of this House on how the Bill could be improved. The submissions covered a wide range of issues, some of which may not be contained in the Bill as published but would greatly improve the mitigation measures.

To this end, **Honourable Members,** given the need to act in the best interest of the public during the unfamiliar times in which we find ourselves, I am inclined to allow the consideration, by the House, of amendments incorporating the useful proposals from the public as contemplated under Article 118(1)(b) of the Constitution regarding

*public participation and involvement of the public in legislative business of the House.* Consequently, in order to enable the House consider the various proposals made by the public, **I do hereby exempt the following amendments, as listed in today's Order Paper, from the provisions of Standing Order 133(5)-**

- 1. The proposed amendments to the Retirement Benefits Act No. 3 of 1997;**
- 2. The proposed amendments to the Law of Contract Act (Cap. 23);**
- 3. The proposed amendments to the Banking Act (Cap. 488); and**
- 4. The proposed amendments to the Employment Act No. 11 of 2007.**

**Hon. Members,** the above-mentioned amendments will be moved by the Leader of Majority Party and the Chairperson of the Departmental Committee on Finance and National Planning, respectively. The said amendments will be considered at the Committee of the Whole House, together with the rest of the amendments, when the House enters Order No. 9.

The House is accordingly guided.

I thank you.”

**(iv) On Suspension of operation of Standing Orders 43(1) and 44(2)(c)**

The Honourable Speaker issued a ruling temporarily suspending the operation of Standing Order 43(1) (*Members' General Statements*) and Standing Order 44(2)(c) (*Statement Hour*) in order to provide for the consideration of Statements on Wednesdays during the Covid-19 pandemic period and not on Tuesdays and Thursdays as provided for in the aforementioned respective Standing Orders.

**5. PAPERS LAID**

The following Paper was laid on the Table of the House:-

Statement by the Departmental Committee on Defence and Foreign Relations regarding welfare of Kenyans abroad in light of challenges occasioned by the Covid-19 pandemic.

*(Chairperson, Departmental Committee on Defence and Foreign Relations)*

**6. NOTICES OF MOTION**

**(i) Notice of Motion -Report of the Mediation Committee on the County Government (Amendment) (No.2) Bill (Senate Bill No. 7 of 2017)**

**THAT**, pursuant to the provisions of Article 113(2) of the Constitution and Standing Order 150, this House adopts the Report of the Mediation Committee on the County Government (Amendment) (No.2) Bill (Senate Bill No. 7 of 2017), laid on the Table of the House on Wednesday, April 22, 2020, and approves the mediated version of the County Government (Amendment) (No.2) Bill (Senate Bill No. 7 of 2017)

*(The Leader of the Majority Party)*

**(ii) Notice of Motion -Report of the Mediation Committee on the County Government (Amendment) Bill (Senate Bill No. 11 of 2017)**

**THAT**, pursuant to the provisions of Article 113(2) of the Constitution and Standing Order 150, this House adopts the Report of the Mediation Committee on the County Government (Amendment) Bill (Senate Bill No. 11 of 2017), laid on the Table of the House on Wednesday, April 22, 2020, and approves the mediated version of the County Government (Amendment) Bill (Senate Bill No. 11 of 2017)

*(The Leader of the Majority Party)*

**(iii) Notice of Motion –Consideration of Nominees to the Teachers Service Commission**

**THAT**, taking into consideration the resolution of the House made during the Morning Sitting of Wednesday, 22<sup>nd</sup> April 2020 rejecting a Special Motion proposing the rejection of Nominees for Appointment to the Teachers Service Commission and taking cognizance of the provisions of Articles 250(2)(b) and 259(11) of the Constitution and pursuant to the provisions of section 8 of the Teachers Service Commission Act, 2012, this House now **approves** the appointment of the following persons as **Members** of the Teachers Service Commission:

- (i) Mr. Mbage Njuguna Ng’ang’a; and**
- (ii) Ms. Leila Abdi Ali.**

*(The Leader of the Majority Party)*

**7. STATEMENTS**

The following Statements were made and responses to previous Statements issued:-

- a) Pursuant to Standing Order 44(2)(c), the Member for Nairobi County (Hon. Esther Passaris) sought a Statement from the Chairperson of the Departmental Committee on Education and Research regarding distribution of sanitary towels to students in view of schools closure during the Covid-19 pandemic period. The Leader of the Majority Party undertook to request the Committee to respond to the Statement on Wednesday, April 29, 2020.
- b) Pursuant to Standing Order 44(2)(c), the Member for Gichugu (Hon. Gichimu Githinji) sought a Statement from the Chairperson of the Departmental Committee on Administration and National Security regarding provision of foodstuff and other relief measures under the Feeding Programme to informal settlements during the Covid-19 pandemic period. The Chairperson undertook to respond to the Statement on Wednesday, April 29, 2020.
- c) Pursuant to Standing Order 44(2)(c), the Member for Dagoretti South (Hon. John Kiarie Waweru) sought a Statement from the Chairperson of the Departmental Committee on Administration and National Security regarding death of one Mr.

- d) Peter Gachago Gacheru, a hawker to Riruta in Dagoretti South Constituency, while in the hands of medical personnel. The Chairperson (Hon. Paul Koinange) undertook to respond to the Statement on Wednesday, April 29, 2020.
- e) Pursuant to Standing Order 44(2)(c), the Chairperson of the Departmental Committee on Health (Hon. Sabina Chege) responded to a Statement sought by the Member for Saboti (Hon. Caleb Amisi) on training, welfare and provision of equipment to health workers in light of challenges occasioned by the Covid-19 pandemic.
- f) Pursuant to Standing Order 44(2)(c), the Member for Wundanyi (Hon. Danson Mwashako) sought a Statement from the Chairperson of the Departmental Committee on Labour and Social Welfare regarding *Inua Jamii* cash Transfer Programme for Older Persons during the Covid-19 pandemic period. The Leader of the Majority Party undertook to request the Chairperson to respond to the Statement soonest possible.
- g) Pursuant to Standing Order 44(2)(c), the Chairperson of the Departmental Committee on Defence and Foreign Relations (Hon. Katoo Ole Metito) issued a Statement regarding welfare of Kenyans abroad in light of challenges occasioned by the Covid-19 pandemic resulting from an inquiry which the Committee had undertaken on its own Motion.

**8. PROCEDURAL MOTION – EXTENSION OF SITTING TIME**

Motion made and Question proposed:-

**THAT**, pursuant to Standing Order 30(3)(a), this House resolves to hold its sitting today until conclusion of business indicated under Order Number 9 and Order Number 10 in the Order Paper.

*(Leader of the Majority Party)*

No debate arising;

Question put and agreed to.

**9. MOTION – SENATE AMENDMENTS TO THE DIVISION OF REVENUE BILL (NATIONAL ASSEMBLY BILL NO. 3 OF 2020)**

Motion made and Question proposed:-

**THAT**, the Senate amendments to the Division of Revenue Bill (National Assembly Bill No. 3 of 2020) be now considered.

*(Chairperson, Budget and Appropriations Committee Hon. Kimani Ichung'wah)*

Debate arising;

Question put and agreed to.

**10. COMMITTEE OF THE WHOLE HOUSE**

Order for Committee read;

**IN THE COMMITTEE**

The Deputy Speaker in the Chair

**(i) Senate Amendments to the Division of Revenue Bill (National Assembly Bill No. 3 of 2020)**

Clause 4 - amendment proposed

**THAT**, clause 4 of the Bill be amended by-

- (a) deleting sub-clause (2); and
- (b) deleting sub-clause (3).

*(Chairperson, Budget & Appropriation Committee Hon. Kimani Ichung'wah)*

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Clause 4 - as amended agreed to

Schedule - amendment proposed

**THAT**, the Schedule to the Bill be deleted and substituted with the following new Schedule-

**ALLOCATION OF REVENUE RAISED NATIONALLY AMONG THE NATIONAL AND COUNTY GOVERNMENTS FOR THE FINANCIAL YEAR 2020/21**

<b>Type/level of allocation</b>	<b>Amount in Ksh.</b>	<b>Percentage (%) of 2016/17 audited and approved revenue i.e. Ksh. 1,357,698 Million</b>
<b>A. Total Sharable Revenue</b>	<b>1,856,700,000,000</b>	

<b>B. National Government*</b>	<b>1,533,411,510,000</b>	
Of which:		
1. <i>Leasing of Medical Equipment</i>	6,205,000,000	
2. <i>Compensation for user fees forgone</i>	900,000,000	
3. <i>Level 5 hospitals</i>	4,326,000,000	
4. <i>Supplement for construction of county headquarters</i>	300,000,000	
5. <i>Rehabilitation of Youth Polytechnics</i>	2,000,000,000	
<b>C. Equalization Fund</b>	<b>6,788,490,000</b>	<b>0.50%</b>
<b>D. County equitable share</b>	<b>316,500,000,000</b>	<b>23.31%</b>
<b>Memo items</b>		
<b>1. County equitable share</b>	<b>316,500,000,000</b>	
<b>2. Additional conditional allocations (National Government share of Revenue) of which;</b>	<b>13,731,000,000</b>	
2.1. <i>Leasing of Medical Equipment</i>	6,205,000,000	
2.2 <i>Compensation for user fees forgone</i>	900,000,000	
2.3 <i>Level 5 hospitals</i>	4,326,000,000	
2.4 <i>Supplement for construction of county headquarters</i>	300,000,000	
2.5 <i>Rehabilitation of Youth Polytechnics</i>	2,000,000,000	
<b>3. Allocation from Fuel Levy Fund (15%)</b>	<b>9,433,265,625</b>	
<b>4. Conditional allocations (Loans &amp; grants) of which:</b>	<b>30,204,347,510</b>	



4.1 IDA-Kenya Devolution Support Program (KDSP) (Level 1)	2,115,000,000	
4.2 IDA-Transforming Health Systems for Universal Care Project	4,345,375,741	
4.3 DANIDA-Universal Healthcare For Devolved System Program	900,000,000	
4.4 IDA-National Agriculture & Rural Inclusive Growth Project (NARIGP)	4,261,646,438	
4.5 EU-Instruments for Devolution Advice and Support (IDEAS)	216,014,391	
4.6 IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	7,119,726,782	
4.7 World Bank- Kenya Urban Support Program (KUSP)- UDG	6,366,000,000	
4.8 IDA- Water and Sanitation Development Project (WSDP)	3,400,000,000	
4.9 Sweden Agriculture Sector Development Programme II (ASDP II)	652,584,158	
4.10 EU- Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER)	528,000,000	
4.11 Drought Resilience Programme in Northern Kenya	300,000,000	
<b>Total County Allocations= (1+2+3+4)</b>	<b>369,868,613,135</b>	

(Chairperson, Budget & Appropriation Committee Hon. Kimani Ichung'wah)

Question of the amendment proposed;

Debate arising;

Question put and agreed to;

Schedule - as amended agreed to

Bill to be reported without amendments.

**(ii) The Tax Laws (Amendment) Bill (National Assembly Bill No. 8 of 2020)**

**SCHEDULE**

**PROVISIONS RELATING TO THE INCOME TAX ACT (CAP. 470)**

Proposed amendments to Sections 2 and 10(1) -agreed to

Proposed amendment to Section 12C(1) -further amendment proposed  
**THAT**, the Schedule be amended—

(a) in the proposed amendments to the Income Tax Act (Cap. 470), by—

- (i) deleting the words “five hundred thousand shillings” appearing in the proposed new section 12C(1) and substituting therefor the words “ one million shillings”;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to Section 12C(1)) -as further amended agreed to

Proposed amendment to Section 15(2)(ab) -agreed to

Proposed amendments to Sections 15(2)(h), (s), (ss), (u), (v) and (x) -further amendment proposed

**THAT**, the Schedule be amended—

(a) in the proposed amendments to the Income Tax Act (Cap. 470), by—

- (i) deleting the proposed amendment to section 15(2)(h);
- (ii) deleting the proposed amendments to section 15(2)(s);
- (iii) deleting the proposed amendment to section 15(2)(ss);
- (iv) deleting the proposed amendment to section 15(2)(u);
- (v) deleting the proposed amendment to section 15(2)(v);
- (vi) deleting the proposed amendment to section 15(2)(x);

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendments to Sections 15(2)(h), (s), (ss), (u), (v) and (x) -deleted

Proposed amendment to Section 22C -further amendment proposed

**THAT**, the Schedule be amended—

- (a) in the proposed amendments to the Income Tax Act (Cap. 470), by—  
(viii) deleting the proposed amendment to section 22C;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendments to Section 22C) -deleted

Proposed amendment to Section 34(2)(o) -further amendment proposed

**THAT**, the Schedule be amended—

- (a) in the proposed amendments to the Income Tax Act (Cap. 470), by—  
(ix) deleting the word “aircraft” appearing in the proposed amendment to section 34(2)(o) and substituting therefor the words “aviation insurance”;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendments to Section 34(2)(o) -as further amended agreed to

Proposed amendments to Section 34(2)(p) and 35(1) -agreed to

Proposed amendment to Section 133 -further amendment proposed

**THAT**, the Schedule be amended—

(a) in the proposed amendments to the Income Tax Act (Cap. 470), by—

- (x) deleting the expression “30th August, 2020” appearing in the proposed new section 133(6) and substituting therefor the expression “31st December, 2021”;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendments to Section 133 -as further amended agreed to

Proposed amendments to Paragraphs 4 , 7, 9 and 18 of the First Schedule -agreed to

Proposed amendment to Paragraph 22 of the First Schedule -further amendment proposed

**THAT**, the Schedule be amended—

(a) in the proposed amendments to the Income Tax Act (Cap. 470), by—

- (xi) deleting the proposed amendment to paragraph 22 of the First Schedule

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to Paragraph 22 of the First Schedule -deleted

Proposed amendments to Paragraphs 25, 28, 29, 30, 31, 32, 33, 34 of the First Schedule -agreed to

Proposed amendment to Paragraph 35 of the First Schedule -further amendment proposed

**THAT**, the Schedule be amended—

(a) in the proposed amendments to the Income Tax Act (Cap. 470), by—

- (xii) deleting the proposed amendment to paragraph 35 of the First Schedule;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendments to Paragraph 35 of the First Schedule -deleted

Proposed amendment to Paragraph 36 of the First Schedule -further amendment proposed

**THAT**, the Schedule be amended—

(a)in the proposed amendments to the Income Tax Act (Cap. 470), by

(xiii) deleting the proposed amendment to paragraph 36 of the First Schedule and substituting therefor the following new amendment—

Paragraph 36 Delete sub-paragraphs (a), (b) and (e).

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendments to Paragraph 36 of the First Schedule -as further amended agreed to

Proposed amendments to Paragraph 40 and 41 of the First Schedule -agreed to

Proposed amendments to Paragraphs 44 and 45 of the First Schedule -further amendment proposed

**THAT**, the Schedule be amended—

(a)in the proposed amendments to the Income Tax Act (Cap. 470), by

(xiv) deleting the proposed amendment to paragraph 44 of the First Schedule;

(xv) deleting the proposed amendment to paragraph 45 of the First Schedule;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendments to Paragraphs 44 and 45 of the First Schedule -deleted

Proposed amendments to Paragraphs 46 and 47 of the First Schedule -agreed to

Proposed amendments to Paragraphs 50, 51 and 53 of the First Schedule -further amendment proposed

**THAT**, the Schedule be amended—

(a)in the proposed amendments to the Income Tax Act (Cap. 470), by

(xvi) deleting the proposed amendment to paragraph 50 of the First Schedule;

(xvii) deleting the proposed amendment to paragraph 51 of the First Schedule;

(xviii) deleting the proposed amendment to paragraph 53 of the First Schedule;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendments to Paragraphs 50,51 and 53 of the First Schedule -deleted

Proposed amendment to Paragraph 52,55 and 56 of the First Schedule -agreed to

Proposed amendment to Paragraph 60 of the First Schedule -further amendment proposed

**THAT**, the Schedule be amended—

(a)in the proposed amendments to the Income Tax Act (Cap. 470), by

(xix) deleting the proposed amendment to paragraph 60 of the First Schedule;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to Paragraph 60 of the First Schedule -deleted

Proposed amendment to Part II of the First Schedule -agreed to

Proposed amendment to the Second Schedule -agreed to

Proposed amendment to Head A of the Third Schedule -agreed to

Proposed amendment to Paragraph 2(a) of Head B of the Third Schedule -further amendment proposed

**THAT**, the Schedule be amended—

(a)in the proposed amendments to the Income Tax Act (Cap. 470), by

(xx) deleting the proposed new item (viii) of paragraph 2(a) of Head B (Rates of Tax) of the Third Schedule and substituting therefor the following new item—

For the year of income 2020 and each subsequent year of 5.00  
income

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to Paragraph 2(a) of Head B of the Third Schedule -as further amended agreed to

Proposed amendments to Paragraph 2(c), 2(d), 2(e), (g)(i), (i), (k) and (l) and new paragraph 2m of Head B of the Third Schedule -agreed to

Proposed amendment to Paragraph 3 of Head B of the Third Schedule -further amendment proposed

**THAT**, the Schedule be amended—

(a)in the proposed amendments to the Income Tax Act (Cap. 470), by

(xxi) Inserting the following proviso to the new paragraph (q) in the proposed amendment to paragraph 3 of the Third Schedule-

Provided that with the regard to transportation of goods, the rate shall not be applicable East African Community citizens.

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to Paragraph 3 of Head B of the Third Schedule -as further amended agreed to

Proposed amendments to Paragraphs 3(d),3(p), 5(d)(i),(d)(ii),(d)(iii), and 9 -agreed to

**PROVISIONS RELATING TO THE VALUE ADDED TAX ACT (NO. 35 OF 2013)**

Proposed amendment to Section 2 -further amendment proposed

**THAT**, the Schedule be amended—

(b) in the proposed amendments to the Value Added Tax Act, 2013, by—

- (i) deleting the proposed amendment to section 2;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to Section 2 -deleted

Proposed amendment to Section 5(2) -further amendment proposed

**THAT**, the Schedule be amended—

(b) in the proposed amendments to the Value Added Tax Act, 2013, by—

- (i) deleting the proposed amendment to section 5 and substituting therefor the following new amendment—

s.5 (2) Delete the proviso to paragraph (aa).

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to Section 5(2) -as further amended agreed to

Proposed amendments to Sections 16(1), 31(1) and 43(1) -agreed to



Proposed amendment to First Schedule, Section A, Part 1, Paragraphs 21A and 26 -- further amendment proposed

**THAT**, the Schedule be amended—

(b) in the proposed amendments to the Value Added Tax Act, 2013, by—

(iii) deleting the proposed amendments to the following paragraphs of Part I of Section A of the First Schedule—

(a) paragraph 21A;

(b) paragraph 26;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to First Schedule, Section A, Part 1, Paragraphs 21A and 26 - deleted

Proposed amendment to First Schedule, Section A, Part 1, Paragraphs 27, 29, 30 and 30A -agreed to

Proposed amendment to First Schedule, Section A, Part 1, Paragraph 39(3) -further amendment proposed

**THAT**, the Schedule be amended—

(b) in the proposed amendments to the Value Added Tax Act, 2013, by—

(a) in paragraph 39 (3) the following proposed amendments —

Delete the following items and their corresponding descriptions—

8802.11.00 Helicopters of an unladen weight not exceeding 2,000 kg.

8802.12.0 Helicopters of an unladen weight exceeding 0 2,000 kg.

8802.20.0 Aeroplanes and other aircraft, of unladen 0

weight not exceeding 2,000 kg.

8803.30.0 Other parts of aeroplanes helicopters.  
0

8805.21.0 Air combat simulators and parts thereof.  
0

8805.10.0 Aircraft launching gear and parts thereof;  
0  
deck-arrestor or similar gear and parts  
thereof.

8805.29.0 Other ground flying trainers and parts  
0 thereof.

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to First Schedule, Section A, Part 1, Paragraph 39(3) -as  
further amended agreed to

Proposed amendments to First Schedule, Section A, Part 1, Paragraphs 40, 41, 43, 45,  
47, 48 and 50 -further amendment proposed

**THAT**, the Schedule be amended—

(b) in the proposed amendments to the Value Added Tax Act, 2013, by—

(d) paragraph 40;

(e) paragraph 41;

(f) paragraph 43;

(g) paragraph 45;

(h) paragraph 47;

(i) paragraph 48;

(j) paragraph 50;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to First Schedule, Section A, Part 1, Paragraph 40, 41, 43, 45, 47, 48 and 50 -deleted

Proposed amendments to First Schedule, Section A, Part 1, Paragraph 52, 52A, 52B, 53, and 55 -agreed to

Proposed amendment to First Schedule, Section A, Part 1, Paragraph 56 -further amendment proposed

**THAT**, the Schedule be amended—

(b) in the proposed amendments to the Value Added Tax Act, 2013, by—

(iii) deleting the proposed amendments to the following paragraphs of Part I of Section A of the First Schedule;

(k) paragraph 56

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to First Schedule, Section A, Part 1, Paragraph 56 -deleted

Proposed amendments to First Schedule, Section A, Part 1, Paragraphs 60 and 61 -agreed to

Proposed amendments to First Schedule, Section A, Part 1, Paragraphs 62, 65, 66 and 67 -further amendment proposed

**THAT**, the Schedule be amended—

(b) in the proposed amendments to the Value Added Tax Act, 2013, by—

(iii) deleting the proposed amendments to the following paragraphs of Part I of Section A of the First Schedule;

(l) paragraph 62

(m) paragraph 65

(n) paragraph 66

(o) paragraph 67

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to First Schedule, Section A, Part 1, Paragraphs 62,65,66 and 67 -deleted

Proposed amendment to First Schedule, Section A, Part 1, Paragraph 88 -agreed to

Proposed amendment to First Schedule, Section A, Part 1, Paragraph 90 -further amendment proposed

**THAT**, the Schedule be amended—

(b) in the proposed amendments to the Value Added Tax Act, 2013, by—

(iii) deleting the proposed amendments to the following paragraphs of Part I of Section A of the First Schedule;

(p) paragraph 90;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to First Schedule, Section A, Part 1, Paragraph 90 -deleted

Proposed amendments to First Schedule, Section A, Part 1, Paragraphs 93, 94, 97 and 102 -agreed to

Proposed amendments to First Schedule, Section A, Part 1, Paragraphs 104 and 107 -further amendment proposed

**THAT**, the Schedule be amended—

(b) in the proposed amendments to the Value Added Tax Act, 2013, by—

(iii) deleting the proposed amendments to the following paragraphs of Part I of Section A of the First Schedule;

(q) paragraph 104;

(r) paragraph 107;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to First Schedule, Section A, Part 1, Paragraphs 104 and 107  
-deleted

Proposed amendment to First Schedule, Section A, Part 1, New Paragraph 96A -New Paragraph 96A proposed

**THAT**, the Schedule be amended—

(i) in the proposed amendments to the First Schedule to the Value Added Tax Act by inserting the following amendment-

New                    Insert the following new paragraph immediately after paragraph 96-

96A. Personal protective equipment, including facemasks, for use by medical personnel in registered hospitals and clinics, or by members of the public in the case of a pandemic or a notifiable infectious disease.

*(The Leader of the Majority Party Hon. Aden Duale)*

Question of the new amendment proposed;

Debate arising;

Question on the new amendment put and agreed to;

Proposed amendment to First Schedule, Section A, Part 1, New Paragraph 96A  
-as further amended agreed to

Proposed amendment to First Schedule, Section A, Part 1, New Paragraph 96A  
-New Paragraph 96A introduced

Proposed amendment to First Schedule, Section A, Part II, Paragraph 10    -agreed to

Proposed amendment to First Schedule, Section A, Part II, Paragraph 18    -further amendment proposed

**THAT**, the Schedule be amended—

(b) in the proposed amendments to the Value Added Tax Act, 2013, by—

(iv) deleting the proposed amendments to the following paragraphs of Part II of Section A of the First Schedule—

(a) paragraph 18;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to First Schedule, Section A, Part II, Paragraph 18 -deleted

Proposed amendment to First Schedule, Section A, Part II, Paragraph 22 -agreed to

Proposed amendments to First Schedule, Section A, Part II, Paragraphs 24, 25 and 26  
-further amendment proposed

**THAT**, the Schedule be amended—

(b) in the proposed amendments to the Value Added Tax Act, 2013, by—

(iv) deleting the proposed amendments to the following paragraphs of Part II of Section A of the First Schedule—

(b) paragraph 24;

(c) paragraph 25;

(d) paragraph 26;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to First Schedule, Section A, Part II, Paragraphs 24, 25 and 26  
-deleted

Proposed amendments to First Schedule, Section A, Part II, Paragraph 28, 30 and 31  
-agreed to

Proposed amendments to Second Schedule, Part A, Paragraph 13, 13A, 15, 16, 18 and 19  
-further amendment proposed

**THAT**, the Schedule be amended—

(b) in the proposed amendments to the Value Added Tax Act, 2013, by—

(v) deleting the proposed amendments to the following paragraphs of Part A of the Second Schedule—

- (a) paragraph 13;
- (b) paragraph 13 A;
- (c) paragraph 15;
- (d) paragraph 16;
- (e) paragraph 18;
- (f) paragraph 19;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to Second Schedule, Part A, Paragraphs 13, 13A, 15, 16, 18 and 19 -deleted

Proposed amendment to Second Schedule, Part C -agreed to

*[Change of Chair from the Deputy Speaker to the Second Chairperson of Committees]*

**PROVISIONS RELATING TO THE EXCISE DUTY ACT (NO. 23 OF 2015)**

Proposed amendment to First Schedule, Part I, Paragraph 1 -further amendment proposed

**THAT**, the Schedule be amended—

(c) in the proposed amendments to the Excise Duty Act, 2015, by—

- (i) deleting the proposed amendments to paragraph 1 of Part 1 of the First Schedule;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to First Schedule, Part I, Paragraph 1 -deleted

Proposed amendment to First Schedule, Part III -agreed to

Proposed amendment to Second Schedule, Part A, Paragraph 13 -agreed to

Proposed amendment to Second Schedule, Part A, Paragraph 14 -further amendment proposed

**THAT**, the Schedule be amended—

(c) in the proposed amendments to the Excise Duty Act, 2015, by—

(c) in the proposed amendments to the Excise Duty Act, 2015, by—

- (ii) deleting the proposed amendment to paragraph 14 of Part A of the Second Schedule.

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Further amendment **dropped** by the Chairperson of Finance and National Planning

Proposed amendment to Second Schedule, Part A, Paragraph 14 -further amendment withdrawn/ dropped

Proposed amendment to Second Schedule, Part A, Paragraph 14 -agreed to without amendment

**PROVISIONS RELATING TO THE TAX PROCEDURES ACT (NO.29 OF 2015)**

Proposed amendment to New Section 39B -further amendment proposed

**THAT**, the Schedule be amended—

(d) in the proposed amendments to the Tax Procedures Act, 2015, by—

- (i) deleting the proposed new section 39B;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to New Section 39B -deleted

Proposed amendment to Section 65(3) -further amendment proposed



**THAT**, the Schedule be amended—

(d) in the proposed amendments to the Tax Procedures Act, 2015, by—

(ii) deleting the proposed amendment to section 65(3) and substituting therefor the following new amendment—

s. 65(3) Delete the words “forty five” appearing before the word “days” and substitute therefor the word “sixty”.

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to Section 65(3) -as further amended agreed to

Proposed amendments to Sections 69 and 83(1) -agreed to

**PROVISIONS RELATING TO THE MISCELLANEOUS FEES AND LEVIES ACT (NO. 29 OF 2016)**

Proposed amendment to Section 7(2A)(a) -agreed to

Proposed New Section 8(3) -New Section 8(3) proposed

**THAT**, the Schedule be amended—

(e) in the proposed amendments to the Miscellaneous Fees and Levies Act, 2016, by—

(i) inserting the following new amendment in its proper numerical sequence—

s. 8 (3) Insert the words “and operation” immediately after the word “construction”.

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the new amendment proposed;

Debate arising;

Question on the new amendment put and agreed to;

Proposed amendment to New Section 8(3) -as further amended agreed to

Proposed amendment to New Section 8(3) -New Section 8(3) introduced

Proposed New Section 8B -agreed to

Proposed amendments to Second Schedule, Part A, Paragraph (viii) -agreed to

Proposed amendments to Second Schedule, Part A, Paragraph (ix) -agreed to

Proposed amendment to Second Schedule, Part A, Paragraph (xv) -further amendment proposed

**THAT**, the Schedule be amended—

(e) in the proposed amendments to the Miscellaneous Fees and Levies Act, 2016, by—

(ii) deleting the following proposed amendments in Part A of the Second Schedule—

(a) paragraph (xv);

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to Second Schedule, Part A, Paragraph (xv) -deleted

Proposed amendments to Second Schedule, Part A, Paragraphs (xxi) and (xxia)  
-agreed to

Proposed amendment to Second Schedule, Part A, Paragraph (xxii) -further amendment proposed

**THAT**, the Schedule be amended—

(e) in the proposed amendments to the Miscellaneous Fees and Levies Act, 2016, by—

(ii) deleting the following proposed amendments in Part A of the Second Schedule—

(b) paragraph (xxii);

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to Second Schedule, Part A, Paragraph (xxii) -deleted

Proposed amendment to Second Schedule, Part B, Paragraphs (v) and (va) -agreed to

Proposed amendment to Second Schedule, Part B, Paragraph (vi) -further amendment proposed

**THAT**, the Schedule be amended—

(e) in the proposed amendments to the Miscellaneous Fees and Levies Act, 2016, by—  
(iii) deleting paragraph (vi) of Part B of the Second Schedule.

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Debate arising;

Question on the further amendment put and agreed to;

Proposed amendment to Second Schedule, Part B, Paragraph (vi) -deleted

Proposed amendment to Second Schedule, Part B, Paragraph (vii) -agreed to

**PROVISIONS RELATING TO THE KENYA REVENUE AUTHORITY ACT (NO. 2 OF 1995)**

Proposed amendment to Section 5A(2) -further amendment proposed

**THAT**, the Schedule be amended—

(f) in the proposed amendments to the Kenya Revenue Act, 1995, by—

- (i) deleting the proposed amendment to section 5A(2) and substituting therefor the following new amendment—

s. 5A (2) Delete the words “two million” appearing in paragraph (b) and substitute therefor the words “five million”;

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Further amendment **dropped** by the Chairperson of Finance and National Planning

Proposed amendment to Section 5A(2)     -further amendment withdrawn/ dropped

Proposed amendment to Section 5A(2)     -agreed to without amendment

Proposed New Section 15A     -New Section 15A proposed

**THAT**, the Schedule be amended—

(f) in the proposed amendments to the Kenya Revenue Act, 1995, by—

(ii) inserting the following new amendments in their proper numerical sequence—

        New           Insert the following new section immediately after section 15—

Appointment of Agents.     **15A.** (1) The Commissioner may appoint a person registered under the Banking Act to act as an agent for revenue banking services through an agreement.

(2) Any person appointed under this section shall be required to transfer the funds to the designated Central Bank accounts within two days following the date of collection.

(3) A person who fails to transfer the funds in accordance with the provisions of sub-section (2) shall be liable to a penalty equivalent to two per cent of the revenue collections not transferred and shall be compounded for every other day on the amount of revenue that is not transferred.

(4) The penalty under sub-section (3) shall be treated as a tax debt due to the government and the enforcement measures for collection and recovery of tax shall apply.

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the new amendment proposed;

Debate arising;

Question on the new amendment put and agreed to;

Proposed New Section 15A     -as further amended agreed to

Proposed New Section 15A     -New Section 15A introduced

Proposed New Section 16(1)     -New Section 16(1) proposed

**THAT**, the Schedule be amended—

(f) in the proposed amendments to the Kenya Revenue Act, 1995, by—

(ii) inserting the following new amendments in their proper numerical sequence—

s. 16 (1) Delete paragraph (a) and substitute therefor the following new paragraph—

(a) at least two percent of the revenue estimated in the financial estimates for each financial year.

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question of the further amendment proposed;

Further amendment **dropped** by the Chairperson of Finance and National Planning

Proposed New Section 16(1)      -New Section 16(1)withdrawn/ dropped

Proposed New Section 16(1)      -New Section 16(1) not to be part of the Bill

**NEW STATUTES**

**PROVISIONS RELATING TO THE LAW OF CONTRACT ACT (CAP 23)**

Proposed New Section 3A      -Proposed New Section 3A **dropped/ withdrawn** by the Chairperson of Finance and National Planning.

**PROVISIONS RELATING TO THE BANKING ACT (CAP 488)**

Proposed Section 31      -Proposed Amendment to Section 31 **dropped/ withdrawn** by the Chairperson of Finance and National Planning.

Proposed New Section 33D      -Proposed New Section 33D **dropped/ withdrawn** by the Chairperson of Finance and National Planning.

Proposed New Section 56A      -Proposed New Section 56A **dropped/ withdrawn** by the Chairperson of Finance and National Planning.

**PROVISIONS RELATING TO THE EMPLOYMENT ACT (NO. 11 OF 2007)**

Proposed New Section 94      -Proposed New Section 94 **dropped/ withdrawn** by the Chairperson of Finance and National Planning.

**PROVISIONS RELATING TO THE RETIREMENT BENEFITS ACT (NO. 3 OF 1997)**

Proposed Amendment to New Section 38(1A)      **-Amendment to Section 38(1A)**  
proposed

**THAT**, the Schedule be amended by inserting the following new amendments to the law specified in the first column in the provisions specified in the second column, and in the manner specified in the third column—

<i>Written Law</i>	<i>Provision</i>	<i>Amendment</i>
The Retirement Benefits Act, No.3 of 1997	38(1A)	Insert the words “or to purchase a residential house” immediately after the words “mortgage loan”.

*(Leader of the Majority Party Hon. Aden Duale)*

Question of the new amendment proposed;

Debate arising;

Question on the new amendment put and agreed to;

Proposed New Section 38(1A)      -agreed to

Proposed New Section 38(1A)      -New Section 38(1A) introduced

Clause 2      -agreed to

Title      -agreed to

Clause 1      -amendment proposed

**THAT**, the Bill be amended by deleting clause 1 and substituting therefor the following new clause—

Short title and commencement.      **1.** This Act may be cited as the Tax Laws (Amendment) Act, 2020 and shall come into operation—

- (a) in the case of the amendment to section 5(2) of the Value Added Tax Act, 2013, on the 15<sup>th</sup> day of the next month following assent; and
- (b) for all other provisions of the Act, on the date of assent.

*(Chairperson, Finance and National Planning Hon. Joseph Kirui Limo)*

Question on the amendment proposed;

Debate arising;

Question on the amendment put and agreed to

Clause 1 -as amended agreed to.

Bill to be reported with amendments.

**11. HOUSE RESUMED** - the Second Chairperson in the Chair

Motion made and Question proposed –

**THAT**, this House do agree with the Report of the Committee of the Whole House on its consideration of Senate amendments to the Division of Revenue Bill (National Assembly Bill No. 3 of 2020).

*(Chairperson, Budget and Appropriations Committee Hon. Kimani Ichung'wah)*

Question put and agreed to;

Bill **passed** as amended, having been read a Third Time on 17<sup>th</sup> March 2020.

Motion made and Question proposed –

**THAT**, this House do agree with the Report of the Committee of the Whole House on its consideration of the Tax Laws (Amendment) Bill (National Assembly Bill No. 8 of 2020).

*(Leader of the Majority Party, Hon. Aden Duale)*

Question put and agreed to;

Motion made and Question proposed –

THAT, the Tax Laws (Amendment) Bill (National Assembly Bill No.8 of 2020) be now read a Third Time

*(Leader of the Majority Party, Hon. Aden Duale)*

Question put and agreed to;

Bill read a Third Time and **passed.**

12. **MOTION – REPORT ON THE SECOND SUPPLEMENTARY ESTIMATES FOR THE FY 2019/2020**

Motion made and Question proposed:-

**THAT**, this House **adopts** the Report of the Budget and Appropriations Committee on the Second Supplementary Estimates for the Financial Year 2019/2020, *laid on the Table of the House on Wednesday, April 22, 2020*, and pursuant to the provisions of Article 223 of the Constitution of Kenya, section 44 of the Public Finance Management Act, 2012, Public Finance Management Regulation 40 and Standing Order 243-

- (i) approves an increment of the **total recurrent expenditure** for Financial Year 2019/2020 by **Kshs. 31,318,396,485** in respect of the Votes as contained in the Schedule II;
- (ii) approves a reduction of the **total development expenditure** for Financial Year 2019/2020 by **Kshs. 83,048,345,383** in respect of the Votes as contained in the Schedule II;
- (iii) approves an overall **decrease** in the total budget for Financial Year 2019/2020 by **Kshs. 51,729,948,898** in respect of the Votes as contained in the Schedule II; and,
- (iv) further makes the policy resolutions contained in the *Second Schedule* to the Order Paper.

*(Chairperson, Budget and Appropriations Committee)*

Debate arising;

Debate concluded;

Mover replied;

Question put and agreed to.

13. **HOUSE ROSE** - at five minutes past Ten O'clock,

And the time being five minutes past Ten O'clock, the Honourable Speaker interrupted the proceedings and adjourned the House without Question put pursuant to the Standing Orders.



**MEMORANDUM**

The Speaker will take the Chair on  
Wednesday, April 29, 2020 at 10.00am

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