

MEMORANDUM TO THE NATIONAL ASSEMBLY REGARDING THE FINANCE BILL 2025 (NATIONAL ASSEMBLY BILLS NO. 19 OF 2025)

TO:

The Clerk of the National Assembly,
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FROM: Loice Erambo

DATE: 20 MAY 2025

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Dear Honorable Chair and Committee members of The
National Assembly's Departmental Committee on
Finance and National planning

RE: MEMORANDUM OF OBJECTION TO THE FINANCE BILL 2025 (NATIONAL ASSEMBLY BILLS NO. 19 OF 2025)

The above subject refers;

Following the invitation by the **National Assembly** to submit comments on the above. Recognizing the **Sovereignty of the People and Supremacy of the Constitution as under Chapter 1 of the Constitution of Kenya 2010** , Rights and Fundamental Freedoms as provided under Chapter 4 of the Bill of Rights , Leadership and Integrity of State Officers as under Chapter 6 , the Role of the Legislature under Chapter 8.

Pursuant to **Articles 10 (2), 118 (1) of the Constitution 2010** that mandates Public Participation in any Legislative Process I wish to submit my Memoranda as follows;

Firstly, the Bill should introduce robust tax cuts and reliefs. The economy is in a far worse condition than covid period yet employees are taxed above 40% of income with nothing to show for it. Employed people in Kenya are few but carry the entire tax burden. This is not sustainable or proportionate under the Constitution. Reject!!!!

More specifically, PAYE rates to revert to previous government rates, abolish housing levy (a scam) and abolish SHA (a bigger scam), otherwise we REJECT!!!!

In addition:

NO.	CLAUSE OF THE BILL	SUBMISSION	REASONS AND JUSTIFICATION
1.	SECTION A OF PART I OF THE 1 ST SCHEDULE OF THE VALUE ADDED TAX ACT.	REJECT IT IN TOTALITY,SCR AP IT.	<p>The same is INCOMPATIBLE WITH THE OBJECTS , PURPOSE & REALIZATION OF ECONOMIC & SOCIAL RIGHTS as provided under ARTICLE 43 of the Constitution of Kenya 2010.</p> <p>The Value Added Tax Act restructuring in the current Economic status quo by moving various essential goods from Zero (0) rated status will cause a ripple adverse effect on Kenyan Consumers as they will have the burden of meeting the high price demands</p>

			<p>to acquire such goods.</p> <p>This move will raise the high cost of living and disproportionately affect low -income households.</p> <p>The Agricultural sector being one of the main economic gears of this country will be negatively affected and at the same time Kenyan households that rely on Agricultural alternative means of income will be hit by these measures.</p>
2	<p>EXCISE DUTY ACT; AMENDMENT OF SECTION 2 & 5 OF THE EXCISE DUTY ACT .</p>	<p>REJECT /SCRAP IT.</p>	<p>The same negates the Rights as protected under Article 27 of the Constitution of Kenya 2010 on Non-Discrimination.</p> <p>The Digital Lending Tax Expansion under the amendments of the Excise Duty Act to include digital platforms of financial services offered by non resident persons over the internet will adversely affect Kenyans that rely on Digital Loans to get by in life.</p> <p>While it creates fair competition and a level playing field it risks the consequences of increasing borrowing costs and thus making credit lending less accessible to low income earners.</p> <p>The same will lead to financial exclusion & discrimination indirectly for the low income and middle class Kenyans who rely on digital loans to pay school fees, Buy Food, Pay Rent, Medical Bills, Build Homes etc.</p>
3	<p>TAX PROCEDURES ACT.</p> <p>SECTION 59 A OF THE TAX PROCEDURES ACT BY DELETING SUBSECTION (1B).</p>	<p>DELETE IT, REJECT THE SAME.</p>	<p>The Bill proposes to amend Section 59A by deleting subsection 1B, which protects persons from being required to integrate or share data related to trade secrets and private or personal data held on behalf of customers or collected in the course of business. This proposal would grant the Commissioner the unrestricted authority to access personal and other private data for tax compliance purposes.</p> <p>It defeats the whole purpose of the Right to Privacy as under Article 31 of the Constitution of Kenya 2010 as their private financial data will unnecessarily be required and revealed and thus ultimately infringe on their communications. This gives KRA unlimited access to Mpesa</p>

			<p>Financial Data which is not necessary.</p> <p>There are no safeguards for potential overreach by the Kenya Revenue Authority.</p> <p>IT IS UNCONSTITUTIONAL !!</p>
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Withdrawal of this Bill as it is, it is made in Bad Faith, Ignorant to the Current Economic Needs and Political Wills of the People of Kenya, Will Entrench the Abuse of Power by the Revenue Authorities, **A Dubious Attempt to Sneak in Tyranny**, Reinforce Poverty, Promote Marginalization and at the end of it Will Deny Kenyans the Transformative Agenda of Vision 2030 .I thus pray that you Reject it for the sake of a better Kenya.

Yours Faithfully
Loice Erambo

Citizen of Kenya