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THE HANSARD

Tuesday, 16th June 2026

(The House met at 2.30 p.m.)

[The Speaker (Hon. Moses Wetang'ula) in the Chair]

PRAYERS

QUORUM

Hon. Speaker: Serjeant-at-Arms, ring the Quorum Bell.

(The Quorum Bell was rung)

Hon. Members, we now have a quorum to transact business.

PAPERS

The Leader of the Majority Party.

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

1. The following documents from the National Treasury and Economic Planning
 - (a) Budget Statement for the FY 2026/27.
 - (b) Budget Highlights – The *Mwananchi* Guide for the Financial Year 2026/2027 Budget.
 - (c) Statistical Annex to the Budget Statement for the Financial Year 2026/2027.
 - (d) The Supplementary Estimates II for the Financial Year 2025/2026 and the following accompanying documents from the National Treasury—
 - (i) Financial Year 2025/2026 Supplementary Estimates II (Programme Based Budget).
 - (ii) Financial Year 2025/2026 Supplementary Estimates II (Recurrent Estimates).
 - (iii) Financial Year 2025/2026 Supplementary Estimates II (Development Estimates).
 - (iv) Memorandum on Financial Year 2025/2026 Supplementary Estimates II.
2. The Agreement between the Government of the Republic of Kenya and the Government of the Republic of Türkiye on Defence Cooperation from the Ministry of Defence.
3. Reports of the Auditor-General and Financial Statements for the years ended 30th June 2021, 30th June 2022, 30th June 2023, 30th June 2024 and 30th June 2025 and the certificates therein in respect of—
 - (a) ACK Kaanwa Mixed Day Secondary School.

- (b) Chogoria Boys High School.
- (c) Chuka Girls Secondary School.
- (d) Chuka High School.
- (e) Ereteti Mixed Day Secondary School.
- (f) Iftin Girls Secondary School.
- (g) Ilpolosat Secondary School.
- (h) Kaaga Girls High School.
- (i) Kangaru School.
- (j) Karati Secondary School.
- (k) Kathaana DEB Secondary School.
- (l) Kyamboo Secondary School.
- (m) Magomano Girls Secondary School.
- (n) Masavi Girls' Secondary School.
- (o) Moi Forces Academy Mombasa.
- (p) Ngatataek Mixed Boarding Secondary School.
- (q) Our Lady of Mercy Girls' Secondary School, Kitui County.
- (r) Our Lady of Mercy Mutunguru Girls Secondary School.
- (s) Precious Blood Kagwe Girls Secondary School.
- (t) Rang'ala Boys High School.
- (u) Riba Girls Secondary School.
- (v) St. Clare Girls Secondary School-Embu.
- (w) St. Michael Gatagati Secondary School.
- (x) St. Triza Mundere Girls Secondary School - Busia County.
- (y) Taite Mauche Secondary School.
- (z) Wanjohi Girls Secondary School.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you. Chairperson of the Departmental Committee on Agriculture and Livestock. Hon. Mutunga, not yet in the House. Chairperson of the Departmental Committee on Finance and National Planning.

Hon Members, as we await those, allow me to recognise the students seated in the Speaker's Gallery from PEFA Donholm School in Embakasi East Constituency, Nairobi County. In the Public Gallery are Ogiek Kwanza Secondary School from Kuresoi South Constituency in Nakuru County, Mulot Boys Secondary School from Bomet East Constituency in Bomet County, PEFA Syokimau School from Mavoko Constituency in Machakos County, and St. Phillips Baricho School from Ndia Constituency in Kirinyaga County.

On my behalf and on behalf of the House, I welcome these children, their teachers and those accompanying them to the House of Parliament.

Next Order.

(Several Members entered the Chamber)

Take your seats.

COMMUNICATION FROM THE CHAIR

GUIDANCE ON CONSIDERATION OF SUPPLEMENTARY ESTIMATES II FOR FY 2025/2026

Hon. Speaker: Hon. Members, I wish to provide guidance to the House on consideration of the Supplementary Estimates II for the 2025/2026 Financial Year. I wish to

draw your attention to the Paper laid by the Leader of the Majority Party on the Second Supplementary Estimates for the 2025/2026 Financial Year from the National Treasury.

I am guided that the Second Supplementary Estimates seek to revise approved allocations in respect of a few specified Votes, largely for purposes of reallocations and regularising the expenditures.

In this regard, noting the limited scope of the Second Supplementary Estimates and that the period between now and 30th June 2026 for in-depth consideration of the estimates and the passage of the attendant legislation is merely two weeks, the Estimates shall be referred only to the Budget and Appropriations Committee. However, the Committee may, where necessary, liaise with the relevant departmental committees under whose mandate the affected Votes fall to obtain any sector-specific input.

I, therefore, direct that the Budget and Appropriations Committee consider the Second Supplementary Estimates for the Financial Year 2025/2026 and table its Report on or before Thursday, 18th June 2026, to enable the House to consider the Supplementary Estimates within the sector timelines.

The House is accordingly guided.

Next Order.

QUESTIONS AND STATEMENTS

REQUESTS FOR STATEMENTS

Hon. Members, the first Request for Statement is by Hon. Farah Yussuf, Member for Wajir West. He is absent, so the Request for Statement is deferred.

(Request for Statement deferred)

Hon. Caroli Omondi, Member for Suba South, is next. He is also not present, so his request is deferred as well.

(Request for Statement deferred)

Next is Hon. Suzanne Kiamba, Member for Makueni.

STATUS OF IMPLEMENTATION OF THWAKE MULTIPURPOSE DAM

Hon. Suzanne Kiamba (Makueni, WDM): Hon. Speaker, pursuant to the provisions of Standing Order 44(2)(c), I rise to request a Statement from the Chairperson of the Departmental Committee on Blue Economy, Water and Irrigation regarding the status of implementation of the Thwake Multipurpose Dam Project.

The Thwake Multipurpose Dam Project along the Thwake River is a flagship national development project aimed at enhancing water security, supporting irrigation, generating hydroelectric power, mitigating floods, and stimulating socioeconomic growth. The project was envisaged as a transformational intervention in Makueni, Kitui, and Machakos counties that would provide reliable water for domestic and industrial use, open up thousands of acres for irrigation, significantly improve food security, create employment opportunities, and improve the livelihoods of communities within the Lower Eastern Region. Additionally, the project's implementation was envisaged to strengthen climate resilience and support sustainable economic development in the region.

Despite the substantial public resources already invested in the project and earlier projections that it would be completed and operational by November 2022, its implementation

has faced persistent delays, which have raised concerns among residents and other stakeholders regarding the completion of the remaining components of the project, escalating costs and continued postponement of anticipated benefits.

It is against this background that I request a Statement from the Chairperson of the Departmental Committee on Blue Economy, Water and Irrigation on the following:

1. The current status of implementation of the Thwake Multipurpose Dam Project, including works completed, outstanding components and the challenges occasioning delays in its completion.
2. The initial project costs compared to the current project costs and the factors contributing to any cost escalation since the commencement of the project.
3. The status of implementation of the irrigation, water supply, and hydroelectric power generation components of the project, and the expected timelines for the completion, commissioning, and full operationalisation of the project, particularly the water and irrigation components.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you, Hon. Suzanne. I am aware that the Chairperson of the Departmental Committee on Blue Economy, Water and Irrigation is away in Mombasa for a conference. Leader of the Majority Party, can you inform him to bring a response in two weeks?

Hon. Kimani Ichung'wah (Kikuyu, UDA): Yes, Hon. Speaker.

Hon. Speaker: Thank you. Next is Hon. Amina Mnyazi, Member for Malindi.

STATE OF MALINDI - SALAGATE ROAD IN MALINDI

Hon. Amina Mnyazi (Malindi, ODM): Hon. Speaker, pursuant to the provisions of Standing Order 44(2)(c), I rise to request a Statement from the Chairperson of the Departmental Committee on Transport and Infrastructure regarding the deteriorating state of the Malindi - Salagate Road in Malindi Constituency.

The Malindi - Salagate Road was commissioned in 2016 as a strategic transport corridor intended to link the coastal tourism hub of Malindi with Tsavo East National Park, while also unlocking the region's economic potential by enhancing trade by facilitating the movement of goods and services. The road also serves as a key route, providing residents with access to healthcare facilities and other essential public services. Despite this House annually allocating funds for road maintenance and rehabilitation, the Malindi - Salagate Road has continued to deteriorate due to prolonged neglect. Large sections of the road have extensive potholes and washed-out segments, which pose serious safety risks to road users. The situation has disrupted the movement of goods and impeded access to essential services, particularly during periods of heavy rainfall, when parts of the road become impassable.

It is against this background that I request a Statement from the Chairperson of the Departmental Committee on Transport and Infrastructure on the following:

1. The plans by the Kenya National Highways Authority (KeNHA) to rehabilitate the Malindi - Salagate Road, including expected timelines for commencement and completion.
2. The immediate and long-term interventions by the Ministry to ensure timely maintenance and rehabilitation of roads.
3. The measures being undertaken by the Ministry of Roads and Transport and KeNHA to ensure that any road construction and maintenance works are undertaken in accordance with required quality standards.

Thank you, Hon. Speaker.

Hon. Speaker: Thank you, Hon. Amina. Chairperson of the Departmental Committee on Transport and Infrastructure, Hon. GK, when can you bring a response?

Hon. George Kariuki (Ndia, UDA): Hon. Speaker, we will respond in two weeks.

STATEMENTS

DEATH OF MS SHEILA CHEPKORIR TANUI IN AUSTRALIA

Hon. Speaker: Two weeks is okay. Thank you. Let us move to responses to Requests for Statements. Is Hon Caroline Ng'elechei in the House? Yes, she is. Is the Chairperson of the Departmental Committee on Defence, Intelligence and Foreign Relations, Hon. Nelson Koech, in the House? Hon. Caroline, the respondent is not in the House. In case they come, we will give them an opportunity to respond. Is that alright, or do you want to say something? Go ahead.

Hon. Caroline Ng'elechei (Elgeyo Marakwet County, Independent): Thank you very much, Hon. Speaker. I want to insist that this is an active matter. The family and the community want answers because the deceased's body has not been repatriated. I request the Chairperson of the relevant Committee to deal with that issue as soon as possible. It was supposed to be handled last week, but the consideration of the Budget Highlights interfered. Therefore, I sincerely request the Chairperson to respond as soon as possible.

Hon. Speaker: Hon. Cynthia Muge, do you wish to comment on the same? Go ahead.

Hon. Cynthia Muge (Nandi County, UDA): Thank you, Hon. Speaker. I also want to add my voice to what Hon. Ng'elechei has said. I walked into a visibly tense situation regarding the same matter. Kenyans have many issues. They expressed their concern, anger and impatience because the wheels of justice do not seem to be moving.

I agree with Hon. Ng'elechei that this matter should be sorted and accorded the seriousness that it deserves. The Kenyan community in Australia has been left confused. We have also been left in a very awkward situation because we cannot give satisfactory answers. Please ensure that this is done urgently.

Hon. Speaker: If the Chair does not show up, I will order that it be listed for tomorrow. Is Hon. Timothy Wanyonyi, Member for Westlands, in the House? Is the Chairperson of the Departmental Committee on Sports and Culture in the House? Hon. Dan Wanyama, are you ready?

Hon. Daniel Wanyama (Webuye West, UDA): I am ready, Hon. Speaker.

Hon. Speaker: However, the Member who requested the Statement is not present. So let us defer it for the time being.

EXCLUSION OF PERSONS WITH DISABILITIES IN AFCON ORGANISING COMMITTEE

(Statement deferred)

Hon. Julius Ole Sunkuli. Sorry. Yes, Hon. Ngogoyo.

Hon. Onesmus Ngogoyo (Kajiado North, UDA): Thank you, Chair. I want to...

Hon. Speaker: Which Chair?

Hon. Onesmus Ngogoyo (Kajiado North, UDA): Hon. Speaker, I seek your indulgence. You directed the Chairperson of the Departmental Committee on Administration and Internal Security to respond to my request for a Statement, but it is not on the Order Paper. You specifically directed that I receive a response today regarding Reverend Ndumia.

Hon. Speaker: Hon. Tongoyo, do you have the response?

Hon. Gabriel Tongoyo (Narok West, UDA): Hon. Speaker, I do not have it. I can do it tomorrow, maybe in the afternoon.

Hon. Speaker: Hon. Ngogoyo, tomorrow in the afternoon. Hon. Julius Ole Sunkuli.

DEMISE OF HON. GIDEON SITELU KONCHELLAH

Hon. Julius Sunkuli (Kilgoris, KANU): Hon. Speaker, I wish to bring to the attention of the House the passing on of Hon. Gideon Sitelu ole Konchellah. He passed away last Friday at the Nairobi Hospital. Hon. Konchellah represented Kilgoris Constituency as its Member of Parliament for multiple terms between 2003 and 2022 under different political parties, namely PNU, URP and Jubilee.

The 2007 General Election in Kilgoris was marked by controversy, resulting in a by-election held on 10th June 2008, which he won and continued to serve until 2022. Before entering politics, Gideon Konchellah had a distinguished military career spanning over 30 years, serving as a commander and logistics officer in the Department of Defence. He trained in resource and financial management at the Military Training College in Lanet and in Camberley in the United Kingdom.

In 1976, he went on to serve with distinction in successive commands in Kahawa and various departments within the Kenya Army. Hon. Konchellah also served in President Mwai Kibaki's Cabinet as Minister for Immigration and Registration of Persons between 2006 and 2007, having earlier served as Assistant Minister for Health and Medical Services. During his tenure, he oversaw the landmark Refugees Act of 2006, which replaced the repressive colonial-era Control of Aliens Act and established a humane and legal framework for the registration and protection of refugees in Kenya. Although we competed in elections, we also served together as allies at different times. The people of Kilgoris Constituency will miss Hon. Gideon Sitelu ole Konchellah, the Member of Parliament they knew for 20 years. We pray for his family and for his soul to rest in peace.

Hon. Speaker: Thank you, Hon. ole Sunkuli. Yes, Hon. Nguna, what is it?

Hon. Charles Ngusya (Mwingi West, WDM): Thank you, Hon. Speaker. I just wanted to convey my condolences, if at all it is in order.

Hon. Speaker: Go ahead.

Hon. Charles Ngusya (Mwingi West, WDM): Thank you, Hon. Speaker. I take this opportunity, on behalf of the people of Mwingi West, to convey my message of condolence to the people of Narok County who have lost a very good leader. We served with him in the 12th Parliament. He was a very good person and my friend. We served together on the same committee. On behalf of my family, I convey my condolences to his family. May his soul rest in eternal peace. Thank you.

Hon. Speaker: Mandazi.

Hon. Victor Koech (Chepalungu, CCM): Thank you, Hon. Speaker. Permit me as well, on my own behalf and that of the people of Chepalungu Constituency, to convey my message of condolence to the family of Hon. Gideon Konchellah. He served as the then Member of Parliament for the entire Kilgoris Constituency and the people of Trans Mara.

You will remember that before Emurua Dikirr was created, Emurua Dikirr and Kilgoris, where Hon. Sunkuli now serves, were one constituency. Whenever disputes arose, Hon. Isaac Ruto, then the Member for Chepalungu, worked closely with Hon. Konchellah to bring peace along the border. Permit me to convey my sincere condolences to the people of Trans Mara. Trans Mara, where Hon. Sunkuli now serves, has a considerable number of the Kipsigis community. Hon. Konchellah was known to serve all people equally. That is my message of condolence to the people of Trans Mara. Thank you.

Hon. Speaker: Hon. Rebecca Tonkei. You have the microphone.

Hon. Rebecca Tonkei (Narok County, UDA): Thank you, Hon. Speaker. I also wish to convey my condolences to the people of Narok County and to the family of the late

Hon. Konchellah, who served for 20 years. Hon. Konchellah was a firm leader. He was physically strong because he did a lot of exercise. You could tell from his appearance that he was a military man. He was loved by the people of Trans Mara because he supported and loved them. We have lost a leader who was widely consulted by the Maasai Community because of his knowledge and love for the people. We will miss him. My condolences go to the people of Kilgoris. Thank you.

Hon. Speaker: Hon. Osoro.

Hon. Silvanus Osoro (South Mugirango, UDA): Thank you very much, Hon. Speaker. I also wish to join the people of Narok County in general, the people of Kilgoris and the Member who has just read the statement in condoling with the family of Hon. Konchellah.

Hon. Konchellah served that constituency for 20 years. It is an area that borders several constituencies and regions. The constituency he represented bordered Migori County and Kisii County, particularly South Mugirango Constituency, which I represent, and also Bomachoge Borabu and Bobasi constituencies. I usually make fun of the current Member of Parliament because there were numerous border disputes and people were fighting way before Hon. Konchellah came into office. From 1999 to 2001, there were frequent border disputes between our communities. For the 20 years that Hon. Konchellah served as a Member of Parliament, we enjoyed peace along our borders. In fact, the other day when we had a small squabble with the neighbouring community, I joked with the current Member of Parliament, saying, “You know, it has been 20 years of peace. Now you have come back. What is this?” Of course, we were later able to calm down the situation.

May Hon. Konchellah rest in peace. I do not know why Hon. Otiende Amollo is telling me that I am accusing the current Member of Parliament. That is not the truth. Thank you very much, Hon. Speaker.

Hon. Speaker: Thank you. Hon. Keynan.

Hon. Adan Keynan (Eldas, JP): Thank you, Hon. Speaker. I also join my colleague, Hon. Sunkuli. I had the privilege of serving with Hon. Konchellah as a Member of Parliament. I also served with him as a Minister under the old Constitution. I am sure you also served with him. He is one man I have always found to be simple, pragmatic and a good team player.

In the Muslim faith, death is a must. The Quran says, “*Qulu nafsin zaikatul maut.*” It means every soul shall taste death. Hon. Konchellah has left a very rich legacy, particularly during the Grand Coalition Government, if you may remember its challenges. There comes a time when an individual leader is called upon to act in the best interests of the country. Such a time for him was during the Grand Coalition Government. Therefore, I join the people of Narok and the entire leadership in sending my condolences to his family. I say *pole*. I am sure many Kenyans will continue to cherish some of the fundamental things that he has believed in. I hope and pray that those who he has left behind will continue to support what he always believed in.

Thank you.

Hon. Speaker: Hon. Melly.

Hon. Julius Melly (Tinderet, UDA): Thank you, Hon. Speaker. I rise to eulogise Hon. Gideon Konchellah. I served with him in the 11th and 12th Parliaments. He was a very humble, down-to-earth leader and, more importantly, a team player. He was one of the Members who liked the gym. He was a very good Member of the Bunge Health Club. Every other time you sat with Konchellah, he would give you a lot of wisdom that cut across many sectors of our society.

Hon. Konchellah was a very amiable man. He lived well with most Members of Parliament. He was always eager to understand how to improve the lives of his people. In most instances I served with him in this House, he would try to find solutions of settling his people well, getting them title deeds and improving the education of his community. So, together with my colleagues and Kenyans, I want to pass my condolences to Hon. Gideon Konchellah’s

family, the Member for Kilgoris, Hon. Julius Sunkuli for losing one of his constituents, and the people of Kilgoris for the loss of Hon. Konchellah. May his soul rest in eternal peace.

Thank you.

Hon. Speaker: Those I will give the Floor now will take a minute because I see a lot of interest. We have a lot of urgent business.

Commissioner Makau.

Hon. Patrick Makau (Mavoko, WDM): Thank you, Hon. Speaker. Allow me to join my colleagues in eulogising Hon. Gideon Sitelu Konchellah. He was a gentle giant with a military background. I was privileged to serve with him in this House. He was a gentleman who never spoke a lot but was full of wisdom. It is a great loss for the people of Kilgoris and those he neighboured. I remember one time when we were with Hon. Gideon Konchellah out of the country; he shared a lot of stories about how they used to work in the military, and you could see a man who could guide and lead from those stories.

As we mourn the loss of Hon. Gideon Konchellah, allow me to also pass my condolences to the families of the four people who were found murdered in Kathiani Constituency and the lady who was stabbed to death at Joska Market. I call upon the Cabinet Secretary for the Ministry of Interior to increase the security presence. Deaths are all over now. I pass my condolences.

Thank you.

Hon. Speaker: Hon. Millie Odhiambo. *Mchukue dakika moja moja.*

Hon. Millie Odhiambo-Mabona (Suba North, ODM): Thank you, Hon. Speaker. On my behalf and on behalf of the people of Suba North, I convey our condolences for the passing of Hon. Gideon Konchellah. I served with him in this Parliament. He was a very dedicated and calm Member. His 20 years in Parliament prove his commitment to his constituency and the confidence his constituents had in him. It also shows that it is indeed possible to serve for 20 years, contrary to what some people sometimes say. I will be serving over 20 years if I do another term. We are following the footsteps of people like Hon. Gideon Konchellah, who was exemplary. May his soul rest in eternal peace.

Hon. Speaker: Hon. Otiende Amolo.

Hon. (Dr.) Otiende Amollo (Rarieda, ODM): Thank you, Hon. Speaker. I bring the condolences of the people of Rarieda and myself to the family and constituents of Kilgoris on the loss of Hon. Gideon Konchellah. He was a ranking Member that I served with in the 12th Parliament. He was a gentleman and a humble man. His mark of humility was evident in the fact that, although he was a ranking Member serving his fourth term, he never reminded anyone of it. He served with dedication, which is why he was re-elected. More importantly, he was a man bereft of verbal aggression. This is a kind of aggression that we sometimes see in some colleagues and in the culture of goonism. That was something that he did not have. Most times, he cut a lone figure. He was focused on his work, and he did not bother anyone. His demise is also a stern reminder to all of us that even as we serve our people, we must take care of our families, be with them, and make time for what we need to do. We must also take time to remember God and pray that He helps us to serve with dignity and humility. We mourn the Hon. Gideon Konchellah.

Thank you.

Hon. Speaker: Thank you. Hon. Oundo.

Hon. (Dr.) Ojiambo Oundo (Funyula, ODM): Hon. Speaker, on my behalf and on behalf of the people of Funyula Constituency, I convey my condolences to the family of Hon. Gideon Konchellah. I served with him in the 12th Parliament. We were also in the same Departmental Committee on Trade, Industry and Cooperatives, and we interacted fairly well. I have never seen such a humble man like him, regardless of his past history. We also lived in the same neighbourhood in Nairobi. Occasionally, I could meet with his family at The Hub.

On my behalf and on behalf of my family, I send a message of condolence to his family and wish them God's comfort at this most disturbing time.

Thank you.

Hon. Speaker: Hon. Mule.

Hon. Stephen Mule (Matungulu, WDM): Thank you, Hon. Speaker. I want to join my colleagues to say *pole* to the family of Hon. Gideon Konchellah. I served with him in the 11th and 12th Parliaments and in the Departmental Committee on Defence, Intelligence and Foreign Relations. He was a man of dignity. Hon. Konchellah, being a general, guided and gave us very clear directions when we joined Parliament as young legislators in 2013.

Hon. Speaker: He was never a general. He was a cannon.

Hon. Stephen Mule (Matungulu, WDM): Thank you, I stand guided. Yes, he was a cannon in the Army. So, on behalf of the people of Matungulu and my family, I extend my condolences to the family of Hon. Konchellah and the people of Kilgoris. Hon. Konchellah left a mark in Kilgoris and the entire Narok County. May his soul rest in eternal peace.

Hon. Speaker: Thank you. Who is the Member next to Hon. Mulanya? Ahah! It is the new Member for Emurua Dikirr. Mheshimiwa, go ahead.

Hon. David Keter (Emurua Dikirr, UDA): Thank you, Hon. Speaker. I come from Emurua Dikirr. I want to join Members of this House in sending a message of condolence to the family of the late Hon. Konchellah. It is because of Hon. Konchellah that Emurua Dikirr was created. He was a very peaceful person. In 2007, Hon. Konchellah made a very good step by joining all the communities in Narok County. He brought peace to Narok County. May his soul rest in peace.

Hon. Speaker: I want to end there. Hon. Hassan.

Hon. Yusuf Hassan (Kamukunji, JP): Thank you, Hon. Speaker, for giving me this opportunity. On my own behalf and on behalf of my constituents in Kamukunji, I extend my sincere condolences to the family and friends of Hon. Gideon Konchellah. I had the privilege and honour of serving with him in the 10th, 11th and 12th Parliaments. He was truly down-to-earth, a wonderful and humble person to know. In fact, it came as quite a surprise to me to learn that he had served in the military because he did not behave like a loud military man. He always spoke in soft tones, and he was a very good person to know and befriend.

May his soul rest in peace. My best wishes go to the people of Kilgoris.

Hon. Speaker: Hon. Members, let us end there. Hon. Konchellah was a wonderful man. I served with him in this Parliament and in Cabinet. He preached peace everywhere he went. He represented a very volatile area, as the Member for Emurua Dikirr can attest. However, he did his best to promote peace among everyone. I think he succeeded Hon. Julius Sunkuli in one of the elections. I do not know whether he succeeded or defeated him, but he took over from him and remained in this House until Hon. Sunkuli returned to reclaim the seat. That is as it should be. It is fitting that Hon. Sunkuli is now the one moving the House to honour him. That is what politics should be.

Therefore, Hon. Members, we all send our collective condolences and, in honour of Gideon Konchellah, shall we rise for a minute's silence?

(Members observed a minute of silence)

Amen. May his soul rest in eternal peace.

For Hon. Members who have not had an opportunity to convey their condolences, we have set up a condolence table outside with a condolence book. You may wish to do so.

Hon. Members, while on my feet, allow me to acknowledge those seated in the Speaker's Gallery: Mawingo Girls' Secondary School from Kipipiri, Nyandarua County and Merti Muslim Girls' Secondary School from Isiolo North, Isiolo County. In the Public Gallery,

we have Enkitoo Junior School from Kajiado West, Kajiado County; Vetu TTC from Kajiado East, Kajiado County; and Muiya Comprehensive School from Kiambaa, Kiambu County.

On my own behalf and on behalf of the House, I welcome the students and those accompanying them to the House of Parliament.

Clerk, go back to Order No. 5.

PAPERS

Hon. Kimani, Chairperson of the Departmental Committee on Finance and National Planning.

Hon. Kuria Kimani (Molo, UDA): Thank you, Hon. Speaker. I beg to lay the following Papers on the Table of the House today, Tuesday, 16th June 2026:

Reports of the Departmental Committee on Finance and National Planning on its consideration of the following two Bills—

- (a) The Finance Bill (National Assembly Bill No. 26 of 2026), together with the Compendium of Public and Stakeholder Submissions, Volumes I to IX; and
- (b) The Kenya Revenue Authority (Amendment) Bill (National Assembly Bill No. 28 of 2026).

Thank you, Speaker.

Hon. Speaker: Chairperson of the Departmental Committee on Agriculture and Livestock, you have a Report to table.

Hon. (Dr) John Mutunga Kanyuithia (Tigania West, UDA): Thank you, Hon. Speaker. I beg to lay the following Paper on the Table of the House:

Report of the Departmental Committee on Agriculture and Livestock on its consideration of the Plant Protection Bill (National Assembly Bill No. 28 of 2025).

Hon. Speaker: Call out Order No. 7.

QUESTIONS AND STATEMENTS

Hon. Kipchumba, I understand that you have the authority to receive the response on behalf of the Member for Westlands. Is that correct? Give Hon. Kipchumba the microphone.

Hon. Harold Kimuge (Nominated, ODM): Yes, Hon. Speaker. On behalf of Hon. Timothy Wanyonyi, the Chairperson of the Kenya Disability Parliamentary Association (KEDIPA), and as a member of KEDIPA myself, I am here to receive the Chairperson's response.

Hon. Speaker: Hon. Dan Wanyama, Chairperson, Departmental Committee on Sports. Thank you, Speaker.

EXCLUSION OF PERSONS WITH DISABILITIES IN AFCON ORGANISING COMMITTEE

Hon. Daniel Wanyama (Webuye West, UDA): Thank you, Hon. Speaker. This is the response to the Statement sought by Hon. Timothy Wanyonyi, Member for Westlands, regarding:

1. The steps taken by the Ministry of Youth Affairs, Creative Economy and Sports to review and reconstitute the AFCON 2027 Local Organising Committee (LOC) to ensure the inclusion of persons with disabilities, including representatives from KEDIPA, the Kenya National Paralympic Committee (KNPC), disability-related sporting federations, and experts in accessibility and inclusive design.

2. The timelines for the reconstitution of the LOC to accord with Articles 27 and 54(2) of the Constitution.

Here is the response. The Ministry acknowledges the request for the inclusion and representation of persons with disabilities (PWDs) within the AFCON 2027 Local Organising Committee. I wish to note that during the preparations and implementation of the African Nations Championship (CHAN) 2024, representation of PWDs was incorporated within the organisational framework. Lessons drawn from the CHAN experience have informed ongoing efforts to strengthen and institutionalise inclusivity within the broader AFCON 2027 organisational framework.

Further, the Ministry recently gazetted the Oversight Committee and the National Steering Committee. The Ministry is currently in the process of constituting 13 specialised technical committees that will support the planning, coordination and delivery of the tournament.

The Ministry intends to deliberately mainstream the participation of persons with disabilities within these committees to ensure that inclusivity is embedded across all functional areas of tournament delivery. These include, among others:

1. Infrastructure and Facilities – venue construction progress, accessibility standards, training sites and pitch readiness.
2. Safety and Security – venue security frameworks, emergency response systems, crowd management and safety protocols.
3. Event Operations – match-day operations, accreditation systems, tournament coordination and operational protocols.
4. Team Services – hotel certification, training site allocation and team liaison coordination.
5. Ticketing – digital ticketing systems and access control.
6. Commercial Affairs – sponsorship rights, brand delivery and merchandising.
7. Communications and Broadcasting – media operations, public communication, broadcasting services and stakeholder engagement.
8. Borders and Mobility – immigration facilitation, customs coordination, visa processing and movement logistics.
9. Protocol, Guests and Workforce – protocol management, hospitality services, volunteer management and workforce coordination.
10. Legal, Finance and Governance – legal compliance, financial management and governance matters.

In addition to representation within the committees, the Ministry is also undertaking measures to ensure that tournament facilities and operations comply with accessibility and universal design standards. These include accessible stadium infrastructure, designated seating areas, accessible washrooms, mobility support services, appropriate signage and communication support services where necessary. This is aimed at ensuring that both participants and spectators living with disabilities are able to fully enjoy and participate in the tournament experience.

The Ministry further appreciates the importance of engaging stakeholders representing Persons with Disabilities (PwDs) to ensure that inclusivity measures are practical, responsive and aligned with international best practices. Consequently, the Ministry welcomes proposals, recommendations and technical input from relevant institutions and organisations representing PwDs to support the realisation of this objective.

Further, given that subcommittees are highly technical and service-oriented, the Ministry will appreciate recommendations from qualified persons with relevant expertise, experience, and competencies aligned with the mandates of the respective committees. This will ensure that representation is not only inclusive but also effective in supporting the

tournament's successful delivery. The Ministry remains committed to fostering an inclusive sports environment that guarantees equal opportunity, participation, and representation for all persons, including PwDs, in the organisation and in the hosting of national, regional, and international sporting events.

As I conclude, I also take this opportunity to eulogise with the family of Hon. Konchellah, whom I served with in the 11th and 12th Parliament. May his soul rest in peace.

I thank you, Hon. Speaker.

Hon. Speaker: Hon. Kipchumba, are you satisfied with that clear explanation?

Hon. Harold Kimuge (Nominated, ODM): Hon. Speaker, I am satisfied, but there are still issues we would like clarified. The disability community constitutes a significant segment of Kenya's population, which includes athletes, sports administrators, professionals, advocates, spectators, volunteers, and consumers of sporting services. Africa Cup of Nations (AFCON) 2027 presents a unique opportunity for Kenya to demonstrate leadership in disability-inclusive sports governance and to set a benchmark for future continental and global sporting events.

We, therefore, recommend, one, the inclusion of representatives of PwDs in the Pamoja AFCON 2027 local organising committee to provide direct input into policy formulation, strategic decision-making, and oversight functions. Two, the expansion of the current 38-member local organising committee to ensure compliance with Article 54(2) of the Constitution, which provides for the representation of persons with disabilities in governance and other spheres of public life. In practical terms, it means the 5 per cent constitutional threshold would warrant the inclusion of at least three representatives from the disability community.

Hon. Speaker: Hon. Kipchumba, you are making a speech instead of seeking clarification on the Statement made.

Hon. Harold Kimuge (Nominated, ODM): Hon. Speaker, could they clarify how many representatives of PwDs will be on the AFCON local organising committee?

Hon. Speaker: You could have said that in those few seconds.

Hon. Harold Kimuge (Nominated, ODM): Hon. Speaker, there is also a need to know what measures they are putting in place to ensure that AFCON 2027 aligns with the disability protocol that brings PwDs into the sporting arena during this coming event.

Thank you, Hon. Speaker.

Hon. Speaker: Hon. Zamzam.

Hon. Zamzam Mohammed (Mombasa County, ODM): Asante sana, Mhe. Spika, kwa kunipatia nafasi hii ili pia nitilie pondo kwa yale Mheshimiwa amesema. Nikiangalia walemavu wanaoshiriki michezo katika Mombasa *County*, wametupwa. Sijui ni nani anayeshughulika nao kwa sababu unapata wanaomba-omba. Kuna picha na video ambazo niliona walemavu wamelala kwenye veranda, na mvua imenyeshwa. Hawakuwa hata na tikiti ya kurudi nyumbani wala tikiti ya kushiriki katika michezo. Maslahi yao hayaangaliwi. Kwa hivyo, nina swali kwa kamati ya Bunge inayohusika na walemavu. Kila siku, mwenyekiti wa walemavu wa Mombasa *County* anayetwa Jared hunipigia. Hata leo nimeona simu zake. Anatafuta usaidizi. Tungependa kujua usaidizi kutoka kwa serikali wa walemavu wanaohusika na michezo mbalimbali uko na nani, na kwa nini haujafikia watu wangu wa Mombasa?

Ahsante sana.

Hon. Speaker: Hon. Dan Wanyama.

Hon. Daniel Wanyama (Webuye West, UDA): Hon. Speaker, I confirm that as we speak, two names of the PwDs who are supposed to join the local organising committee have been given to the Principal Secretary, State Department for Sports. That is a work in progress.

As for Hon. Zamzam, I confirm to her that nowadays, no team representing this country, whether disabled or not, sleeps along the corridors or lacks tickets unless they are participating

on their own. Maybe they could be advised that, to be funded, they should kindly make a request in good time so that it can be processed and funds made available for the team to participate in any international matches, as long as they are representing this country.

I thank you, Hon. Speaker.

Hon. Speaker: Next Order.

PROCEDURAL MOTION

EXEMPTION OF CERTAIN BUSINESS FROM PROVISIONS OF STANDING ORDER 40(3)

Leader of the Majority Party.

Hon. Silvanus Osoro (South Mugirango, UDA): Hon. Speaker, on behalf of the Leader of the Majority Party, I beg to move the following Procedural Motion:

THAT, this House resolves to exempt business sponsored by Parties or Committees during the Morning Sittings of Wednesday, 17th June 2026 and Wednesday, 24th June 2026, from the provisions of Standing Order 40(3), being sittings allocated for Business not sponsored by the Majority or Minority Party or Business sponsored by a Committee.

Hon. Speaker, Members in this House are aware that Wednesday mornings are usually Private Members' Bill days. The leadership of the Majority and Minority Parties have lined up several House Business matters, as discussed in the House Business Committee, that need to be dispensed of before we proceed to another short recess in a week or so. For that reason, we proposed moving Private Members' Bills and exempting two particular days, that is, tomorrow at 9:30 a.m. and next week Wednesday the 24th, for other Business matters that are not under Standing Order 43. For those two consecutive Wednesdays, Business scheduled under Standing Order 43 will not be in the House to enable us to dispense of urgent matters before we proceed to recess.

I beg to move. I request my predecessor, the Member for Navakholo, Hon. Emmanuel Wangwe, who most people do not know, to second.

Hon. Speaker: Hon. Emmanuel Wangwe.

Hon. Emmanuel Wangwe (Navakholo, ODM): Thank you, Hon. Speaker. Qualifying a statement is very important. He has said, 'I do not know', because I crossed over to the Opposition. I am no longer on the government side. I used to be the Whip of the Majority Party, but I am currently seated on the Minority Side.

Thank you, my good friend.

Hon. Dorice Donya (Kisii County, WDM): On a point of order, Hon Speaker.

Hon. Speaker: Yes, Hon. Donya. Give her the microphone.

Hon. Dorice Donya (Kisii County, WDM): I have heard Mheshimiwa say that he crossed over to the Opposition. Which opposition is he talking about?

Hon. Emmanuel Wangwe (Navakholo, ODM): I clarified that by saying Minority and Majority Sides. We are on the Minority Side.

Hon. Speaker, allow me to second the Motion so that we cut this long story short.

Hon. Speaker: Hon. Donya, did you say you were rising on a point of confusion or a point of order?

(Laughter)

Hon. Dorice Donya (Kisii County, WDM): Hon. Speaker, we know well that there is no Opposition; therefore, when a Member says that there is Opposition, you just want that made clear. But he has clarified that there is no Opposition.

Hon. Speaker: Did you say you are standing on a point of confusion? Did you?

(Laughter)

Hon. Dorice Donya (Kisii County, WDM): No.

Hon. Speaker: Go ahead, Hon. Wangwe.

Hon. Emmanuel Wangwe (Navakholo, ODM): Thank you, Hon. Speaker. Allow me to second the Motion by the Whip of the Majority Party that the House adopt this Procedural Motion. Given the explanation by the Whip of the Majority Party, the two weeks—meaning the two subsequent days, tomorrow and Thursday and next week, Wednesday and Thursday—do not make much difference if we can shift all Motions under Standing Order 40(3). I urge my colleagues to support the Motion so that we address the very urgent Motions that the Committee has lined up for the House.

Thank you.

(Several Members entered the Chamber)

Hon. Speaker: Members, on your feet; take your seats.

(Question proposed)

Hon. Members: Put the question.

(Question put and agreed to)

Hon. Speaker: Next Order.

BILLS

First Reading

THE TRUST ADMINISTRATION BILL
(National Assembly Bill No. 29 of 2026)

(The Bill was read a First Time and referred to the relevant Committee)

Second Readings

THE APPROPRIATION BILL
(National Assembly Bill No. 36 of 2026)

Hon. Members, this Appropriation Bill is a continuation of the budget business we have been conducting and of the budget appropriations you discussed here for three days, culminating in the highlights presented by the Cabinet Secretary. The House Business Committee has directed that we take an average of 30 minutes for this discussion, including the mover, the seconder, and those who may wish to speak, so that we can proceed to the next

item on the Finance Bill. I now call upon the Chairperson of the Budget and Appropriations Committee, Hon. Atandi.

Hon. Samuel Atandi (Alego Usonga, ODM): Thank you, Hon. Speaker. I would like to move that the Appropriations Bill, National Assembly Bill No. 36 of 2026, be now read a Second Time.

As you have rightly guided, this House has already debated the Budget Estimates conclusively, and ultimately, the Cabinet Secretary was in this House last week to provide highlights of the same estimates. I would like to take a few minutes to remind Members of the key highlights of the Appropriations Bill.

This Bill seeks to authorise the issuance of Ksh2,187,000,000 from the Consolidated Fund to fund National Government services and programmes for the year ending 30th June 2027. As you have also directed, I want to highlight to Members the contents of the Appropriations Bill, which essentially mirrors the Budget Estimates that we have already discussed and approved.

Hon. Speaker, the key highlights of the Bill include expenditures to fund important Government programmes, such as the education sector, which is set to receive Ksh781.3 billion. This funding will support free primary and secondary education, junior secondary school capitation, teacher recruitment and remuneration, university financing, Technical and Vocational Education and Training (TVET) programmes, digital learning, and investment in human capital development. This investment will serve as a key driver for economic transformation.

The second key allocation will be allocated to transport infrastructure and industry. This will enhance connectivity, reduce transport costs, facilitate trade and support regional integration. The road sector has been allocated Ksh230.3 billion to support road construction, rehabilitation, and maintenance, as well as bridge construction. The transport sector will receive Ksh51.8 billion for railway modernisation, the bus rapid transit (BRT) system, airport upgrades, and a logistics hub. Major transport projects include Ksh20.8 billion for the Standard Gauge Railway (SGR) Phase 2B and 2C, Ksh4.2 billion for the Dongo Kundu Special Economic Zone, Ksh3.8 billion for flood mitigation works, and an additional Ksh19.2 billion to stimulate industrial growth and improve connectivity.

Under the Universal Healthcare Programme, the health sector is allocated Ksh175.5 billion to strengthen universal health coverage (UHC), improve primary healthcare services, and expand specialised healthcare infrastructure. Under the UHC allocations, Ksh19.1 billion has been earmarked for primary healthcare funds, Ksh20.9 billion for the Kenya Medical Supplies Authority (KEMSA), and Ksh18.8 billion for Kenyatta National Hospital (KNH).

In housing and urban development, the housing department has been allocated Ksh138.2 billion to support affordable housing programmes, along with Ksh110 billion for urban infrastructure and informal settlement upgrading. Major allocations include Ksh50.8 billion for the construction of affordable housing units, Ksh20.9 billion for social housing, and Ksh18.6 billion for the Kenya Urban Programme.

The environmental protection, water and natural resources sector will receive Ksh112.4 billion to support water infrastructure, irrigation development, forest conservation, climate resilience, and wildlife management.

In agriculture, the Government has allocated Ksh63.3 billion for food security to support fertiliser and seed subsidy programmes. Ksh18 billion is allocated to the fertiliser subsidy, Ksh2 billion to the seed subsidy, Ksh5.4 billion to the food resilience project, and Ksh4.7 billion to the National Agricultural Value Chain Development Project (NAVCDP). In terms of equity, women's empowerment, and youth development, Ksh109.7 billion has been allocated to the National Youth Service (NYS), Ksh10.4 billion to the Kenya Devolution

Support Programme (KDSP), Ksh22.6 billion to youth programmes, Ksh21.2 billion to internship programmes, and Ksh4.7 billion to the NYOTA programme.

Hon. Speaker, in Information and Communication Technology (ICT), Ksh10.5 billion has been allocated to support digital transformation, expand digital connectivity, strengthen cybersecurity systems, and develop digital hubs. Major expansions will include Ksh5.3 billion for the Kenya Regional Economy Acceleration Project, Ksh1.5 billion for Last Mile Connectivity, Ksh689 million for digital hubs, Ksh350 million for e-government procurement, Ksh210 million for Konza data centre and a smart city facility.

I would like to conclude the highlights that I was about to provide to Members so they can recall what was discussed last week during our examination of the Estimates. I wish to emphasise that this Budget is among the most progressive this House will pass during the term of broad-based government. When the Cabinet Secretary was here last week, he presented key highlights of some of the achievements the Budget is expected to realise. I concur with the Cabinet Secretary in his submissions, adding that despite areas where we experienced shortages while reviewing the Estimates, such as the examination fees for invigilators who processed the examinations for the last financial year, the overall outlook remains positive. I would like to confirm that this has already been provided for in the Supplementary Estimates tabled before the House today, and that all other critical allocations Members sought clarification on during the consideration of this Bill have been addressed.

Hon. Speaker, with your guidance, and having already highlighted the key Estimates contained in the Bill, I would now like to invite my able Vice-Chairperson to second the Appropriations Bill.

Thank you.

Hon. Speaker: Member for Endebess.

Hon. (Dr) Robert Pukose (Endebess, UDA): Thank you, Hon. Speaker. I stand to second this Bill. As Members are aware, this will allow the Government to release funds in the next financial year to operationalise the Budget that was read and the Estimates considered by this House.

We did extensive deliberations on these Estimates through the Committee of Supply, which subsequently informed the Budget Highlights presented by the Cabinet Secretary. Therefore, I believe this is a matter that has been exhaustively discussed and deliberated upon by the House. I beg to second.

Thank you, Hon. Speaker.

(Several Members stood up in their places)

Hon. Speaker: Members on your feet, take your seats.

(Question proposed)

Do I put the question?

Hon. Members: Yes.

Hon. Speaker: And for the avoidance of doubt, this is a matter you have discussed extensively, including in the Committee of the whole House last week, which you took more than three hours.

(Question put and agreed to)

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

Before the next Order, in the Speaker's Gallery, I acknowledge the students from Karuri High School from Kiambaa, Kiambu County; and in the Public Gallery, Taita Taveta opinion leaders from all Taita Taveta constituencies.

On my own behalf and on behalf of the House, we welcome the opinion leaders and the students to the House of Parliament.

(Applause)

Yes, Hon. Cynthia Muge.

Hon. Cynthia Muge (Nandi County, UDA): Thank you, Hon. Speaker. I thought I could take this opportunity, now that there has been mention of opinion leaders from Taita Taveta. I have paid close attention to see who these opinion leaders and opinion shapers in Taita Taveta are. I wish to take this opportunity to invite them to Parliament so that they may see the true beneficiaries of opinion shapers—and these are the people who have proper opinion shapers on the ground.

Allow me also to welcome the students who have come here on an educational tour. This is the House of Parliament. This is where legislation, oversight, and representation are done by the representatives of the people of Kenya. You are most welcome. This is also a place where you pick dreams and choose where you want to go; if you desire to belong here one day, then this is the place to come every Tuesday, Wednesday, and Thursday.

May the good Lord bless you.

Thank you, Hon. Speaker.

Hon. Speaker: Next Order.

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

Chairperson of the Departmental Committee on Finance and National Planning.

Hon. Kuria Kimani (Molo, UDA): Hon. Speaker, I beg to move that the Finance Bill (National Assembly Bill No. 26 of 2026) be now read a Second Time.

Hon. Speaker, for the last 27 days, the Departmental Committee on Finance and National Planning has diligently discharged its mandate in accordance with Standing Order 245 by conducting a comprehensive review and consideration of the Finance Bill 2026. The Committee undertook extensive public participation and stakeholder engagement, travelling to 13 different counties, namely Wajir, Kiambu, Vihiga, Nyamira, Bomet, Makueni, and Siaya, and it is good that the people of Taita Taveta are also represented here. We also went to Taita Taveta, Turkana, Kilifi, Tana River and Mombasa. The engagements were conducted between Thursday, 21st May and Friday, 12th June, across 13 counties, and then at the Glee Hotel in Kiambu County.

It is important to mention one of the key challenges we encountered during public participation. Many Kenyans raised concerns relating to devolved functions, particularly water. In fact, during the town hall meetings, Kenyans consistently highlighted the challenges they face in their counties. At times, it was difficult to explain that we were not representing county governments. Therefore, from the outset, I would like to urge the Council of Governors (COG) and county governments to effectively discharge their mandates so that there is value for money and services are provided to Kenyans.

I would like to give special mention to the Members of the Departmental Committee on Finance and National Planning, where I am privileged to serve as Chairperson. I also acknowledge my Vice-Chairperson, Amb. Benjamin Kipkirui Lang'at, Member of Parliament for Ainamoi, Hon. Kaluma, Hon. David Mboni, Hon. George Sunkuiya, Hon. Andrew Okuome, Hon. (Dr) Shadrack Mwiti, Hon. Umul Kassim, Hon. (CPA) Julius Rutto, Hon.

(CPA) Joseph Maero, Hon. (CPA) John Ariko, Hon. Kibichy Biego, Hon. Mangale Chiforomodo, Hon. Gathoni Wamuchomba and lastly Hon. Mohamed Soud Machele. These Members participated extensively in civic education and engaged Kenyans across the country. I am grateful to them. They were able to come up with this good report before the House today.

I also wish to acknowledge and appreciate the members of the Secretariat. These officers worked tirelessly, often through the night, including yesterday and the days preceding it, to ensure that we have a comprehensive report that reflects the views and feedback received from over one hundred thousand stakeholders.

Accordingly, I would like to make special mention of the Secretariat team led by the Deputy Director, Legal Services, Ms Jennifer Ndeto, together with Mr Robert Nyaga, Ms Tracy Chebet, Mr Salem Lorot, Mr George Ndenjeshe, Ms Perninnah Simiren, Ms Patricia Gichane, Mr Cyrell Mutali, Mr James Macharia, Mr Benson Kamande, Ms Winfred Kilonzo, Ms Joy Kyalo, Ms Nelly Ondieki, Mr Timothy Chiko, Ms Joyce Wachera, Mr Benson Muthuri, Mr Allan Kimani, Ms Ann Kang'ethe, Ms Vivian Ogega, Mr Jared Onyancha, Mr Eugene Luteshi, and Mr Steve Jeremy Kamau for their valuable contribution and unwavering commitment to this Report. As I have indicated, the members of the Secretariat worked tirelessly, including on weekends and public holidays, to ensure that the condominium of the report before the House this afternoon was completed in good time.

The Finance Bill, 2026, is not merely a revenue-raising instrument; it is a policy reform framework aimed at strengthening Kenya's tax system. Unlike previous approaches that focused primarily on introducing new taxes, this Bill emphasises simplifying tax laws, addressing existing inequities, strengthening enforcement, and aligning Kenya's tax framework with international standards.

The Bill further reflects the Government's commitment to modernising tax administration by leveraging technology, data analytics, and risk-based compliance mechanisms. These reforms are intended to strengthen the relationship between taxpayers and the Kenya Revenue Authority (KRA), promote voluntary compliance, curb tax evasion, and ensure that all taxpayers contribute their fair share of taxes.

The consideration of this Bill was guided by established policy frameworks, including the National Tax Policy and the Medium-Term Revenue Strategy. These frameworks have consistently informed the review of tax legislation, including the Finance Act, 2023; the Finance Bill, 2024; the Tax Laws (Amendment) Act, 2024; the Business Laws (Amendment) Act, 2024; the Tax Procedures (Amendment) Act, 2024, and the Finance Act, 2025. The objective has been to promote a stable, predictable and business-friendly environment. Since the enactment of the Finance Act, 2022, this House has approved various tax measures to promote fiscal sustainability and enhance revenue collection. The projected additional revenue from these measures is as follows:

Legislation	Projected Revenue (Ksh - Billion)
Finance Act, 2022	25
Finance Act, 2023	211
The Finance Bill, 2024	344
The Tax Laws (Amendment) Act, 2024	49 (half-year)

The Finance Act, 2025	30
The Finance Bill, 2026	98.9

Through the rationalisation of tax incentives, improved compliance measures and continued administration, this government expects to raise Ksh98.9 billion that will supply money to the Appropriation Bill that will be moved tomorrow by the Chair of the Budget and Appropriations Committee. The Committee's primary objective was to streamline tax expenditures, reduce revenue leakage, enhance compliance and ensure that tax incentives are targeted towards national development priorities. The proposed amendments seek to promote fairness and certainty within the tax system while maintaining an environment that supports investment, business growth and long-term economic planning. A predictable and transparent tax framework enables taxpayers and investors to make informed decisions, encourage confidence in the economy and support sustainable growth.

Hon. Speaker, the Committee conducted extensive public participation. Based on the reviews of public participation, the Committee will recommend amendments to the Bill as follows: Clause 2 of the Bill, under the definition of software, includes both the software itself and its distribution within the meaning of royalty. The Committee observed that the distribution of software does not, by itself, constitute a royalty-generating activity and that including it in such could lead to unintended tax implications for distributors. In line with international best standards and OECD guidelines, and to safeguard the interests of stakeholders and Kenyans operating in the sector, the Committee recommends the deletion of the phrase 'and includes distribution of software' from the definition. This amendment seeks to provide clarity, avoid misinterpretation and ensure a fair and accurate tax framework for software-related transactions.

On the very much debated issue of taxation on phones, we agree with the National Treasury that the framework as outlined in the Bill will lead to a reduction in tax on phones. However, upon further engagements with Kenyans and the Communications Authority, changing the tax incidence from when the phones come to the country to the point of activation, we are not convinced that we are ready to tax phones at the point of activation. We strongly feel that it is important to establish a framework to make sure that we have the correct software installed by sharing data with telcos, by making sure that the Communications Authority is ready to charge taxation on activation. With the current framework, the National Treasury is recommending that we change the effective date of this to 1st January 2027. However, this Parliament lives and can sit at any particular time. Therefore, even as we continue to engage with the National Treasury and wait for the Committee of the whole House tomorrow, I urge that we shelve that particular idea until we have the correct systems so that we do not burden Kenyans with additional taxation or unpredictability in terms of taxation.

For example, what will happen if I go and buy a phone from a dealer and I am not aware whether the taxes have been paid, and I sell that phone to my brother or grandmother in the village, only for my mother to be told that you cannot use your phone because it has pending requisite taxes? I think it is very important to rethink this particular proposal to ensure there is no revenue loss and no extra burden on Kenyans. Even as I say this, I know we have had an extensive discussion, including with the Cabinet Secretary and the Principal Secretary. I urge them that it is a good idea, yes, it has a good deal, but we need to reconsider at what point this tax should be paid.

In Clause 2(b), the Bill seeks to address an existing gap in the taxation of income arising from card-based transactions. Currently, such fees are not classified as management or

professional fees and, therefore, are not subject to withholding tax under Section 35 of the Income Tax Act. The Committee will propose further amendments to this clause to ensure we are in line with national standards, avoid revenue loss, and avoid making transactions expensive in our digital inclusion space.

Clause 2(e) proposes to amend provisions relating to betting and gaming by expanding the definition of ‘withdrawals.’ The proposal seeks to ensure uniform application of withholding tax across different forms of betting and gaming transactions. The Bill further proposes to reintroduce the definition of winnings and reinstate withholding tax at 20 per cent. The Committee observed that frequent changes to definitions of winnings and withdrawals have created uncertainty for operators and undermined predictability in the gaming and betting industry. Therefore, although it is very important to leverage this sin tax, it is important that, in line with best practice, the tax is predictable. We must ensure it is easy to pay tax, rather than creating a temptation for members of the public or particular entities to evade tax.

Clause 3 proposes to narrow the tax exemption applicable to gratuity and similar payments made by employers and remitted to registered pension schemes by introducing additional eligibility requirements. Currently, such payments made on or before 1st June 2025 qualify for exemption regardless of the duration and continuity of an employee’s service. The Committee observed that this broad exemption may be susceptible to abuse through tax administration arrangements, particularly where remuneration is structured as gratuity and a short-term contract. By extending the time, the risk of exempting all gratuity paid to employees from income tax could mean that an employer would choose to pay their employees gratuity rather than a salary, which would lead to a huge tax loss.

[The Speaker (Hon. Moses Wetang’ula) left the Chair]

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

Hon. Temporary Speaker, Clause 4 proposes introducing a simplified tax framework for non-residents who earn rental income from properties situated in Kenya. It is important that I emphasise this point. There has been a lot of public debate about the increased taxation of rent income. That is far from the truth. As currently contained in the Income Tax Act, tenants are required to withhold 30 per cent of the rent they pay to non-residents. We realise that it is difficult for a taxpayer or a tenant to verify whether the landlord is a resident or a non-resident. Therefore, this proposal seeks to provide credit for that and set the rental income tax rate for non-residents at 30 per cent, which will be the final tax. So, it simplifies taxation for landlords. It shifts the burden from the tenant back to the landlord. That clarifies that particular situation. It is important to note that there has been no proposed change to taxation on resident rental income. So, if you are paying rent or you are a landlord, there is no change in taxation for either the tenant or the landlord.

Clause 7 proposes to reduce the 1.5 per cent withholding tax on payments made on the sale of scrap metal by treating such payments as income subject to withholding tax. Currently, income from the sale of scrap metal is not subject to withholding tax, creating an inconsistency in the treatment of income earned from different sources. The Committee observed that the repeal of the previous withholding tax regime created a compliance gap in the large informal cash-based sector characterised by limited record-keeping. It is very important to mention that the sale of scrap metal has led to increased vandalism on public infrastructure and also created untraceability on who is a buyer and who is a seller of scrap metal. Introducing a 1.5 per cent withholding tax will therefore mean that the Authority will have information on anyone dealing in scrap metal, making it easy for the dealers to be traced.

Clause 8 proposes to simplify the taxation of trusts by replacing the existing provisions under Section 11 of the Income Tax Act with a clearer framework in which trust income is taxed at the trust level and is not subject to further taxation upon distribution to beneficiaries. This will make it easier for an establishment with a trust to pay its taxes by having trust income taxed at the trust level rather than at the point of distribution to beneficiaries. It is important to note that this proposal exists because the income being transferred to a trust fund has already been taxed under the Income Tax Act.

Hon. Temporary Speaker, Clause 10 proposes to amend the Act to allow employees of the Central Bank of Kenya (CBK) to claim a deduction for interest paid on mortgage loans, subject to the limits provided under the law, when determining taxable income. The proposal seeks to extend mortgage interest relief to CBK employees, in line with the treatment applicable to other taxpayers. However, if you examine the Fourth Schedule of the Income Tax Act, it provides for mortgage relief for employees who take mortgages from financial institutions and insurance funds. Since the CBK is a regulator, it is not listed in the Fourth Schedule of the Income Tax Act. Consequently, employees of CBK who take mortgages from their employer are not entitled to mortgage relief, unlike employees of other banks.

However, the Committee observed that granting this exemption to CBK employees could be deemed discriminatory. For example, other entities, such as the Parliamentary Service Commission (PSC), in which Members and staff take loans or mortgages from the PSC Fund, do not qualify for mortgage relief. Therefore, providing this exemption only to CBK employees could be deemed discriminatory. In any case, employees who take mortgages from SACCOs, for example, are also not entitled to mortgage relief. The Committee therefore recommends deleting this proposal.

Clause 16 proposes to amend Section 24(1) of the Income Tax Act by introducing a minimum deemed dividend distribution threshold of 60 per cent of undistributed income. Under the proposal, if profits are not distributed within 12 months after the end of the accounting period, a portion of the undistributed income may be deemed distributed as dividends for tax purposes. The proposal seeks to provide certainty and consistency in the application of deemed dividend provisions and to discourage the indefinite retention of profits solely to defer dividend taxation.

During stakeholder engagement, the Association of Chartered Certified Accountants (ACCA) Eastern Africa, the Institute of Certified Public Accountants of Kenya (ICPAK), PricewaterhouseCoopers (PwC), Mr Julians Amboko, among others, raised concerns regarding the proposed 60 per cent threshold. They noted that it may negatively affect businesses by limiting their ability to retain earnings for operational cash flows, expansion, and growth. The ACCA further observed that many businesses retain profits for genuine commercial reasons and that imposing such a threshold could create cash flow constraints, particularly for small businesses that may face challenges in accessing alternative financing.

The Association therefore proposed reducing the threshold to 30 per cent to balance revenue objectives and business sustainability. The Committee observed that while the proposal addresses concerns relating to tax deferral, a 60 per cent deemed distribution requirement could place undue pressure on businesses and constrain investment decisions. The Committee therefore proposes moderating the threshold to a maximum of 40 per cent to achieve a balance between revenue collection and allowing businesses sufficient flexibility to retain earnings for growth and investment.

The issue of taxation of deemed dividends arises when a business declares a profit and is expected to distribute dividends to its shareholders. Those dividends are subject to dividend tax. However, many businesses are tempted not to distribute dividends to avoid paying dividend tax. Therefore, it is important that we discourage these entities from such forms of tax planning. At the same time, directors should retain the flexibility to exercise their fiduciary

powers as provided under the Companies Act, which has a whole policy on dividend distribution. To balance the two, the Committee disagrees with the National Treasury on the minimum threshold of 60 per cent and instead proposes a threshold of 40 per cent.

Clauses 18 and 19 propose to revise the timelines for filing individual income tax returns by introducing different filing periods based on the nature of the return. Under the proposal, taxpayers filing nil returns would be required to file within the first month following the end of the year of income, while taxpayers who have already paid tax, such as persons earning employment income, would be required to file within the fourth month. Currently, all individual income tax returns are due by 30th June each year, regardless of the nature of the return.

The Committee observed that although the proposal seeks to promote timely filing, the differentiated timelines should be adjusted to provide individuals with 4 months and corporates with 6 months to file their returns. The Committee noted that nil returns require minimal information and processing, while corporate returns involve more detailed financial records and compliance procedures. We, therefore, recommend having only two timelines: four months for individual taxpayers and six months for corporate taxpayers. This will also prevent all the hustle and bustle that come around just before the 30th of June each year, when both corporate and individual taxpayers are required to file their returns.

Clause 22 proposes to remove the preferential 5 per cent withholding tax rate applicable to dividends paid to East African citizens. The Committee observed that this preferential rate creates unequal tax treatment based on residency, undermines equity within the tax system, and provides a tax incentive that is not clearly linked to economic performance, thereby resulting in revenue loss. The Committee therefore notes that the proposal aligns with the National Tax Policy objective of rationalising tax expenditures and promoting a fair, efficient, and neutral tax system. The Committee supports the proposal, as it enhances consistency in the tax framework and promotes equitable treatment of taxpayers.

Clauses 31 and 32 seek to reclassify certain supplies from zero-rated to exempt status. The proposals involve moving the following items from the First Schedule to the Second Schedule—that is, from zero-rated to exempt status: locally assembled and manufactured mobile phones; electric buses, motorcycles, and bicycles; lithium-ion and solar batteries; sugarcane supplied from farms to milling factories; inputs and raw materials locally purchased or imported for the manufacture of animal feeds; and inputs and raw materials locally purchased or imported for the manufacture of pharmaceuticals.

Although the Committee understands the National Treasury's criteria of trying to reduce tax expenditures, it is important that we continue to have a predictable tax environment. We must ensure that we promote our exports, because, as you are aware, manufacturers of zero-rated products are allowed to claim input tax. The Committee's proposal to the House tomorrow is that where we feel there is a need to retain either exempt or zero-rated status, it is important that if finished products are made exempt, then the corresponding raw materials should also be exempt. We recommend that raw materials and finished products enjoy tax-exempt status.

Clause 33 proposes to simplify the VAT treatment of worn clothing and footwear. This matter was highly debated, and I wish to thank the stakeholders who appeared before us, including the Mitumba Consortium Association of Kenya, represented by Apostle Teresa Wairimu. Currently, importers of mitumba—including clothing, footwear, and bags—are required to pay 16 per cent VAT and, in addition, 30 per cent income tax on their profits. This has become problematic for traders in the sector. Subjecting mitumba traders, whether in Gikomba, Nakuru, Molo, or elsewhere across the country, to VAT reporting and payment requirements has become problematic. As they said, it has created a form of rent-seeking by members of KRA. Most of these traders are unable to obtain tax compliance certificates.

They therefore recommended a simplified tax system in which they would pay only 30 per cent of the deemed profit, which would translate to around 15 per cent of profits, as a final tax. The Committee agrees with the National Treasury that this is a better plan. It is likely to lead to more collections. It will simplify how our mitumba businesses pay taxes and enhance tax compliance among taxpayers.

Clauses 34 and 35 propose to simplify the taxation framework applicable to mobile phones. I spoke to that particular matter. We agreed that taxing mobile phones on activation would be a better plan to ensure tax compliance. But we need to phase out the implementation date for this clause, as this honourable House has to agree with us. We also need preparedness in our systems to ensure this does not impose an additional tax burden on mobile phone users. Mobile phones are used by students studying at home or at universities, and are also being used to create content. Therefore, we must have a simplified and predictable tax environment for this very good sector.

Clause 38 proposes to amend the Tax Procedures Act by introducing provisions relating to a Crypto-Asset Reporting Framework (CARF) and reporting requirements for Virtual Asset Service Providers (VASPs), requiring them to submit annual information returns to the KRA on crypto asset transactions. The proposal further provides a framework for Kenya to enter into automatic exchange of information arrangements with foreign jurisdictions, in line with international transparency standards.

In addition, the Bill proposes correcting the reference to persons who charge fees for virtual asset transactions by replacing "Virtual Asset Providers" with "VASPs." The Finance Act of 2025 introduced an excise duty on fees charged for virtual asset transactions. Still, it incorrectly used the term 'Virtual Asset Providers' rather than 'Virtual Asset Service Providers', as recognised under the Virtual Asset Providers Act of 2025, which this House passed last year. This amendment seeks to align the Excise Duty Act with the correct statutory terminology, enhance clarity, and support the effective implementation of tax on virtual asset transactions.

During stakeholder engagements, Mr Mabuti Mutua of Flexi Consulting Limited supported Kenya's move towards national tax cooperation and transparency. He, however, raised concerns regarding the need for adequate safeguards in the implementation of CARF. He observed that the proposed provisions would expressly align with Articles 24 and 31 of the Constitution of Kenya and the Data Protection Act, ensuring that the collection and exchange of crypto asset information respects taxation's privacy. Mr Mutua recommended that reporting obligations be limited to information that is necessary, relevant, proportionate and consistent with the principles of data minimisation and purpose limitation. This Committee agrees with the said state stakeholder. We will therefore be proposing amendments at the Committee of the whole House stage.

Clause 41 proposes to empower the Commissioner to issue tax assessments where available information indicates that a taxpayer has not fully declared or paid the tax due. The provision is anchored in Kenya's self-assessment system, under which taxpayers declare their own income and tax liabilities. However, the Commissioner may also require information from third-party sources, electronic tax systems, financial records, customs data, and other lawful sources that may indicate discrepancies in declared tax provisions.

The Committee observed that while the proposal strengthens tax administration by enabling data-driven systems, it is necessary to provide adequate procedural safeguards to protect taxpayers' rights. The Committee therefore recommended the introduction of clause 29A into the Tax Procedures Act, requiring the Commissioner to disclose the sources of information and the computations relied upon in making an assessment. The Committee further recommended that such disclosure be a condition for the assessment's validity. In the case of a dispute, the Commissioner bears the burden of demonstrating the accuracy and reliability of information used.

I must give more context to this matter. Clause 41 provides the Commissioner with the power to use other third-party data sources to conduct a tax assessment of a taxpayer. That would mean they could rely on information from whichever source. Although they already have access to that information. This is due to information sharing, the use of e-TIMS, and the requirement that all allowable invoices be issued through e-TIMS. This gives the Commissioner the absolute right to reassess without disclosing the source of that information, which would be against the principles of justice. In international best practice, it is important to disclose to a taxpayer the source of information they are being accused of using. The burden of proof should rest on the Commissioner, not on the taxpayer. A taxpayer should not be made to self-incriminate themselves in terms of their tax liabilities.

Clause 43 proposes to introduce a one-year tax amnesty under the Tax Procedures Act, running from 1st July 2026 to 30th June 2027. The Amnesty will apply to tax liabilities accrued after 31st December 2025. This will allow taxpayers to regularise outstanding obligations by paying the principal tax due within the amnesty period.

Upon fulfilment of the prescribed conditions, penalties, interests, and fines relating to the eligible tax debts will be waived. The proposal aims to provide a final, time-bound opportunity for taxpayers to settle outstanding tax liabilities, enhance compliance, and improve revenue collection. When we had a tax amnesty in 2023, we facilitated the settlement of outstanding debts, which attracted Ksh1.6 million in payments. When we did this tax amnesty in 2023, we had Ksh1.6 million...

The Temporary Speaker (Hon. Farah Maalim): Hon. Chairman, I hate to interrupt you, but I want to recognise the school here; then you can continue.

Hon. Members, I wish to recognise in the Public Gallery the presence of students from the Kibiriokwonin Junior Secondary School in Baringo North Constituency, in Baringo County.

(Applause)

Please, any Member from those sides of Baringo? Yes, the lady at the back there. Mheshimiwa, go on.

Hon. Caroline Ng'elechei (Elgeyo Marakwet County, Independent): Thank you so much, Hon. Temporary Speaker. I take this opportunity to welcome the students and the teachers from Baringo County. Baringo County neighbours Elgeyo Marakwet County, and we share so many things. I encourage all of you that the sky is the limit. There is a possibility that if you do your best in school and learn very well, one day, one time, you will find yourselves in this House or in better places. This is the House where we legislate and make the laws of this honourable country. I encourage all of you that education is the only equaliser.

Thank you so much. Welcome again to Nairobi.

The Temporary Speaker (Hon. Farah Maalim): Hon. Woman Representative from Taita Taveta, you can also encourage the students up here in Kiswahili. We also need to hear.

Hon. Haika Mizighi (Taita Taveta, UDA): Asante sana, Mhe. Spika wa Muda, kwa hii fursa. Nawakaribisha wanafunzi kutoka shule mbalimbali. Vilevile, nawakaribisha wote waliokuwa hapa. Hapo awali tulikuwa na *opinion leaders* kutoka Taita Taveta. Ninawakaribisha hapa Bunge...

The Temporary Speaker (Hon. Farah Maalim): Hawa wametoka Baringo.

Hon. Haika Mizighi (Taita Taveta, UDA): Ndio, hawa wametoka Baringo, lakini awali kulikuwa na *opinion leaders* kutoka Taita Taveta. Kwa ujumla, karibuni sana Bunge. Hapa ndipo tunapotunga sheria, na huwa na majadiliano ya kuboresha Kenya yetu. Mjiskie vizuri kuwa hapa, na muwe na wakati mwema hapa Bungeni na Nairobi.

Ahsante sana.

The Temporary Speaker (Hon. Farah Maalim): Where is Hon. Makilap?

Hon. Joseph Makilap (Baringo North, UDA): Thank you, Hon. Temporary Speaker. I also take this opportunity, on behalf of the people of Baringo North, to join you, on behalf of Parliament, in congratulating Kibirioiwonin Junior Secondary School for visiting Parliament, together with their teachers and parent representatives.

This is the House where the people of Baringo North sent me to serve them in doing legislation, oversight and representation. Students, if you work hard, you will find yourself here or in any sector of the government. It only takes being disciplined and hardworking. These two things, hard work and discipline, will take you places across Kenya and across the world. I welcome them again and remind them that the future is bright. That is one of the schools with the brightest students, and it does very well in Baringo North. I wish them success as they go back home.

The Temporary Speaker (Hon. Farah Maalim): Fair enough. The Chairman of the Departmental Committee on Finance and National Planning can continue with his presentation.

Hon. Kuria Kimani (Molo, UDA): Thank you, Hon. Temporary Speaker. I was discussing the issue of tax amnesty. When this honourable House, in the Finance Act of 2023, provided for a window for tax amnesty, one million applications were lodged with the Kenya Revenue Authority (KRA). This resulted in Ksh54.5 billion in declared principal tax, and Ksh43.9 billion was collected between September 2023 and June 2024. So, it is important. There is evidence that when a tax amnesty is offered, taxpayers tend to pay their outstanding taxes. Therefore, when they do it, all their interests and penalties are forgiven.

However, the Committee noted that although this provides substantial relief to taxpayers, it is very dangerous for the country. It can be termed unfair. For example, as a tax-compliant taxpayer, I paid my principal tax and penalty last year. If there was any penalty or interest, that means I paid my principal, tax, interest, and penalties. Then, this House passes a law to forgive interest and penalties for those who did not pay. It means the person who paid his interest and penalties is at a disadvantage.

Some taxpayers said that if you waive all interest and penalties for those who did not pay them last year, you should also refund those who paid them, to be fair. This will enhance revenue collection. It will provide relief to those people who have had difficult economic times. We have seen many businesses that are recovering from COVID-19. Tax amnesty is a policy direction that the National Treasury should carry out. So that people do not continuously fail to honour their obligations, expecting that it will be there next year or next year but one.

Clause 45 of the Bill proposes to amend the Tax Procedures Act to allow the Commissioner to issue agency notices for the recovery of tax where a matter has been determined in the Commissioner's favour and a no-stay order has been granted. Under the current legal framework, the issuance of agency notices is restricted once a taxpayer lodges an appeal, even if the Tax Appeals Tribunal or a court has already determined the matter in favour of the Commissioner. This delays recovery of tax in the absence of a stay order. The proposed amendment seeks to align tax recovery procedures with the principle that the filing of an appeal does not, in itself, suspend enforcement unless a stay is granted. This facilitates the timely recovery of confirmed tax liabilities while preserving the taxpayer's right to seek a stay from the relevant forum.

During the call for engagement, concerns were raised regarding the proposed expansion of the Commissioner's enforcement powers. The Law Society of Kenya (LSK), represented by the Vice-President, Teresia Wavinya Nicholas, the council members, and members of the Tax Committee, raised concerns about the reintroduction of previously rejected proposals, including changes to appeal timelines and expanded agency notice powers.

LSK observed that permitting agency notices during the pendency of objections, appeals, alternative dispute resolution processes, or court proceedings could undermine the taxpayer's right to challenge tax decisions, weaken dispute-resolution safeguards, and affect access to

justice. They noted that this would be in contradiction of Articles 47, 48 and 50 of our Constitution. Therefore, this Committee and our Committee of the whole House will recommend further amendments to ensure that the taxpayer has a chance at fair justice. But also, KRA can make its collections on time.

Clause 47 of the Bill proposes to remove the provisions introduced by the Finance Act 2005 that allow overpaid tax to be offset against tax payable on imported goods and against domestic tax liabilities. Previously, verified VAT refunds could be offset against the taxpayer's future domestic tax obligations, including income tax, insolvency tax, excise duty and future VAT liabilities. The proposal is designed to align a tax solution to ensure that refund offsets remain within the appropriate domestic tax framework. At the same time, maintaining consistency with the customs regime, which governs tax payable at importation under separate rules for assessment and collection.

The Committee observed that restricting the offsetting of tax overpayments against VAT on imports would adversely affect taxpayers' cash flows and increase working capital pressures. Therefore, the Committee will propose further amendments to this particular clause.

Clause 48 of the Bill proposes to amend Section 75 of the Tax Procedures Act to empower the Commissioner to waive penalties and interest arising from errors in electronic systems up to a limit of Ksh2 million, without requiring the approval of the Cabinet Secretary for the National Treasury and Economic Planning. The proposal also aims to facilitate the swift resolution of tax-related issues, reduce avoidance disputes, and enhance tax confidence in the use of digital tax administration.

The Committee notes that with the advanced use of electronic systems for the KRA, there are chances of errors not deliberately made by a taxpayer, but of system errors that lead to unfair waivers of interest and penalties. Therefore, we must set a threshold below which the Commissioner, after satisfying himself that the errors are system-generated, may offset up to Ksh2 million.

Clause 49 of the Bill proposes deleting Section 77(2) of the Tax Procedures Act, which currently excludes Saturdays, Sundays, and public holidays from the computation of timelines for tax obligations. The existing provision has created uncertainty in the computation of time for various tax processes, including the filing of objections, applications and other statutorily bound actions. This uncertainty is further compounded by the shift to digital tax administration systems, including the KRA platform and the Judiciary e-filing system, which operate beyond conventional working days. This amendment is, therefore, intended to stimulate and modernise the computation of timelines within the tax system.

The Committee observed that including weekends and public holidays in the computation of timelines for tax objections and appeals would effectively shorten the period available to taxpayers to exercise their rights. This may increase the risk of procedural default, particularly when the deadline falls immediately after non-working days. The Committee noted that the proposal raises concerns about procedural fairness and the right to a fair hearing under Article 50 of our Constitution, as it limits taxpayers' ability to adequately prepare and lodge objections or appeals. Therefore, the Committee recommends deleting the proposal to ensure that taxpayers are given a reasonable and practical period to exercise their statutory rights.

The Committee observed a need to strengthen the enforcement framework for the recovery of government revenue collected by KRA on behalf of government agencies. It noted that KRA has been given authority under the relevant statutes to collect several levies, including the housing levy. However, it has not been given the enforcement powers regarding agency fees. Therefore, we note that it is important to have a consequential amendment to the Affordable Housing Act. For example, to raise the current rate of agency fees collected from 0.5 per cent to a maximum of 2 per cent. Most importantly, we need to give KRA the power to

enforce the collection of these levies. These proposals reflect not only stakeholders' input but also sound economic reasoning grounded in Keynesian principles of fiscal stimulus.

The Finance Bill of 2026 supports aggregate demand, promotes employment, and stimulates economic growth through targeted incentives in housing, manufacturing, and advanced technology, while preserving fiscal discipline. As we deliberate on the Finance Bill of 2026, we must prioritise measures that effectively expand the tax base. While maintaining a balance with the broader economic environment, which may include innovative tax policy approaches, incentivising compliance, simplifying tax procedures, and addressing structural barriers that constrain revenue growth.

Addressing these issues proactively and implementing effective tax policies will help increase our tax revenue, in line with our economic potential. This will strengthen our fiscal position, enabling investments in key sectors, social welfare programmes, and infrastructure development, and fostering sustainable economic growth to benefit all Kenyans. This enormous task has been made possible by the collective commitment and cooperation of all who contributed to the legislative process.

The Committee's work was greatly enriched by submissions, views, and insights from stakeholders, members of the public, and various institutions, ensuring the Bill was considered from a broad, inclusive perspective. Our engagements received views from across 13 different counties. It is very important to note that we received over 100,000 submissions from members of the public.

One of the greatest things, and I am happy that this honourable House has achieved it, is that tax education is now on the lips of every Kenyan. It was amazing to travel to counties like Wajir and Turkana and listen to ordinary citizens explain the differences between the First and Second Schedules of the Value Added Tax Act, and between zero-rating and exemption. This shows that Kenyans are willing to be involved in the running of this country's affairs.

I am happy that this time around, I would like to congratulate our Cabinet Secretary for the National Treasury and Economic Planning, Hon. John Mbadi, for going out of his way to explain to Kenyans and demystify the misinformation and disinformation. Previously, the Finance Bill was left as a baby of this House, and the Executive would dump it on us and leave us to explain it to members of the public. I am very impressed that, this time around, the National Treasury, led by the Principal Secretary and the Cabinet Secretary, actively engaged Kenyans. By the time we held public participation, Kenyans were already informed about the specific clauses in the Bill.

It is also important to note that one of the recurring submissions we received from members of the public was that, although law-making is a complex and legal process that must be viewed in a particular way. Therefore, this House must innovate on how we communicate proposals in Bills to the public. This is because, on many occasions, even when we provided members of the public with copies of the Bills, they would read them and say that some of the clauses in the Bill were usually a deletion of a deletion.

You read the Bill and see a proposal to delete Section 9. When you go to the proposal and see that it seeks to delete Section 9 of the Tax Procedures Act, only for you to go to Section 9 of the Tax Procedures Act and find that it is itself a deletion, therefore, it becomes a deletion of a deletion. This particular process makes it very complicated for ordinary Kenyans to understand legal drafting. I should throw this challenge to our legal drafters. Let us find a simpler way to present our Bills to the public.

It is also important to note that other Kenyans said we communicate in English. We have three official languages: English, Kiswahili and Kenyan Sign Language. Therefore, even the Bills passed by this House must be published in the two official written languages, English and Kiswahili, to enable other Kenyans who prefer Kiswahili as their language of choice to understand our legal process and our Bills.

As we go into the Committee of the whole House, Kenyans also cautioned us on the need to ensure value for money in the use of these resources. Many Kenyans told us expressly that they are not opposed to taxation. They want to see value for the money and where these resources are going. I urge all members of the Executive to use these financial resources prudently. Let us ensure that these resources, when allocated to us, go towards value for money, economic development, and projects that benefit this country.

Lastly, the issue of introducing tax liability to Kenyans earning below Ksh30,000 featured prominently in all our discussions. We recommend that the National Treasury and Economic Planning return to the drawing board and find a way to waive tax obligations for employed Kenyans earning less than Ksh30,000.

It was also submitted by institutions such as the Kenya Bankers Association that high-income earners are paying up to 35 per cent income tax. These taxpayers are not allowed to deduct their expenses. Therefore, this Committee recommends that the National Treasury and Economic Planning look into overhauling all tax bands, as increased contributions to the Social Health Authority and the Affordable Housing Levy have imposed an additional burden on taxpayers and Kenyans generally.

Therefore, we must consider an overhaul of these tax bands. We tried to do that in our Report, but the data we need to analyse is clearly immense. We ask the National Treasury and Economic Planning, since you have the tools to do so, to analyse and undertake a comprehensive overhaul of all Pay-As-You-Earn tax bands.

With all those remarks, I again want to thank the dedicated team of the Departmental Committee on Finance and National Planning and our staff, who worked through weekends and at night. Even this time, as we came to finalise this Report, we left the hotel in the morning. I want to thank them for that dedication.

I beg to move and ask Hon. (CPA) Julius Rutto, the Member of Parliament for Kesses Constituency, to second.

Thank you.

The Temporary Speaker (Hon. Farah Maalim): Yes, proceed, Hon. Rutto.

Hon. (CPA) Julius Rutto (Kesses, UDA): Thank you so much, Temporary Speaker. I rise to second this Motion on the Finance Bill, 2026. I speak from the position that I am also a Member of the Departmental Committee on Finance and National Planning. I participated throughout the process of this Bill, from its committal to the Committee to stakeholder engagement and county-to-county public participation hearings.

I want to express my appreciation to my Hon. Chairman for the leadership he provided throughout this process and, indeed, for briefly outlining the contents of the Finance Bill, clause by clause, including the views of members of the public and stakeholders on each clause. As I stand to second this Motion, I want to appreciate that this particular Finance Bill of 2026 has broadened the approach to expanding the tax regime rather than increasing taxation vertically, as was the case before. This is one of the best Finance Bills because it has sought to reorganise provisions relating to income tax, Value-Added Tax (VAT), excise duty and the Tax Procedures Act, to reduce the burden on taxpayers who have traditionally contributed the greater share of tax revenue that finances our budget.

One of the focuses of this Finance Bill is to examine how we administer tax expenditures, which have increasingly grown over time to more than Ksh500 billion annually. It is approaching Ksh600 billion or even Ksh700 billion. That is huge. The intention and objective are to intervene and absorb the burden and pressure on taxpayers' disposable income. However, it is also taking away the opportunity to direct resources towards critical expenditure priorities. So that we can lessen the need to raise taxes on the few, while maintaining a fair balance across society, so those earning less and those earning more can contribute at an equitable level and achieve service delivery together through fair distribution. Therefore, this

Finance Bill has looked at issues relating to VAT. Many elements have previously enjoyed zero rating, and there has been an effort to evaluate the impact of that zero rating over time and the associated cost implications. This Finance Bill seeks to address those issues while enabling the Government to meet growing expenditure demands.

As we speak, the Committee of Supply is considering a total Budget of Ksh4.8 trillion, showing an increase that will require sufficient resources to finance it. This increase in expenditure is largely driven by demands that are growing beyond manageable levels. For example, in relation to devolution, we recently saw county governments, through the Senate, seeking an increase in the equitable share of revenue. From the Ksh420 billion previously recommended, the figure has increased to Ksh428 billion. This translates into pressure on an already constrained fiscal framework. Therefore, it calls for a balanced, carefully thought-out approach to generate revenue to meet the increasing expenditure. For that purpose, one option is to review our taxation framework. I appreciate the framers of this financial year's Finance Bill for absolving Kenyans of the tax burden on disposable income and business profits. That has been reduced to increase our buying power, focus on service delivery, boost consumption and investment, and drive economic growth. That is why we should support this year's Finance Bill.

I cannot conclude without mentioning the few challenges that we encountered during public participation. One of which was the misinformation and disinformation being perpetrated by well-placed members of society, some of whom are leaders of repute in our country. They have been perpetuating misinformation and disinformation to dissuade Kenyans from supporting the Finance Bill. People would get very emotional during public participation and protest against a very prudent document that seeks to address their issues. Some people claim that this Finance Bill seeks to increase land taxes and change land ownership from freehold to leasehold. However, no clause in the Bill mentions anything to do with land. Therefore, we gave the public the correct documents.

I headed one of the sub-committees in Kiambu County. Members of the public were astonished to learn that they had been discussing a totally different Bill from the one tabled in the National Assembly. That is the cost of misinformation borne by those who intentionally and deliberately try to dissuade Kenyans from pursuing their own interests. As the Bible says, "What good will it do a man to gain the whole world and to lose his life?" What do you gain by destroying our country for the sake of your own interests, for the pursuit of power, and to influence perception for your own agenda? We gain nothing when people are disgruntled. We only destroy our peace and destabilise our country and economy due to misinformation and disinformation.

I call upon media houses to uphold their code of conduct and establish the truth and facts of the information they report or discuss. That will help our people make the right decisions and support the right policies that will grow the nation, rather than the negativity that causes divisions along political lines. We should grow our nation to achieve the objectives of our Constitution.

I led a team to Hola to engage the public in public participation. Members of the public were crying about an animal abattoir that they had been promised for over 10 years, yet the county government had not implemented it. We are now asking those Kenyans to support policy implementation to raise revenue, even though they do not realise its objectives. I call upon the governors to provide services.

The 47 counties have unique challenges. Women in Taita Taveta County were lamenting about the lack of water and the availability of drugs in their healthcare facilities. They explained their frustrations during the public participation exercise. Devolution should have addressed their needs. What are the county governments' priorities?

The resources generated through the Finance Bill will be distributed through the Division of Revenue Bill. We have increased the allocation to county governments from Ksh420 billion to Ksh428 billion. Yet Kenyans do not receive the corresponding services to compensate for their sacrifices. Kenyans have no problem paying taxes. They know they need to pay taxes to obtain services. But why should they be squeezed for more taxes, yet those vested with the power to deliver services do not do so? The same goes for Cabinet Secretaries and Principal Secretaries. It is high time that Kenyans saw the value of their taxes. Kenyans are good. We travelled across the country and gathered their views.

Lastly, Kenyans were concerned about whether their views during public participation would go to waste. I urge them to look at the Report of the Committee. They will see that their concerns have been taken into account. One of the concerns raised was about the taxation of phones. It was unclear when and how a phone would be taxed. Kenyans asked whether phones they receive from family members abroad would be taxed and, if so, at what rate. We considered all those concerns and assured them that they are addressed in the Report tabled in the House.

The KRA and the National Treasury have consistently included Agency Notice in the Finance Bill. They want to defeat the justice system by assessing collectable tax on a taxpayer who feels their rights have been infringed. The Committee determined that we cannot subvert a process provided for by our Constitution to grant KRA the power to collect taxes from Kenyans without upholding their rights. Our justice system culminates in the Supreme Court. The Committee considered all those issues so that we can make laws that favour Kenyans and promote equity and equalisation. We will then ensure that all Kenyans pay taxes, and we get value for our money.

I support the Bill.

(Several Members spoke off the record)

I second the Bill.

The Temporary Speaker (Hon. Farah Maalim): You beg to second.

(Laughter)

(Question proposed)

Let us have Hon. Mbui.

Hon. Robert Mbui (Kathiani, WDM): Thank you, Hon. Temporary Speaker, for giving me this opportunity to oppose this draconian, punitive, knee-in-the-neck of Kenyans' Finance Bill of 2026. I begin by thanking the Committee, as their presentation has confirmed to Kenyans that the Executive has prepared a very nasty document, the result of which is the raft of amendments alluded to by the Committee's Chairman. He kept indicating the Committee's amendments to the various proposals in the Bill. I will first address the myths circulating across the country.

The Temporary Speaker (Hon. Farah Maalim): Leader of the Majority Party!

Hon. Robert Mbui (Kathiani, WDM): I want to deal with the myths, Hon. Temporary Speaker.

(Hon. Kimani Ichung'wah consulted loudly)

The Temporary Speaker (Hon. Farah Maalim): I am mentioning the Leader of the Majority Party because this is a Government Bill. Therefore, he is supposed to be listening, not holding small caucuses.

Proceed, Hon. Mbui.

Hon. Robert Mbui (Kathiani, WDM): Thank you, Hon. Temporary Speaker. The first thing we must note is that, contrary to the ongoing sugar-coating, the Finance Bill intends to raise more money from Kenyans so that we can support this Financial Year's very weighty Budget. Therefore, the Government must find ways to raise more revenue. So, it is a myth that the Finance Bill will be a good document for Kenyans.

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

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Speaker, is the Deputy Leader of the Minority Party right to misinform and disinform this House? I heard the Deputy Leader of the Minority Party say he opposes the amnesty proposed in the Bill. It is very misleading for him to purport that we are just increasing taxes, whereas the Bill eliminates certain interest rates and penalties for taxpayers.

Is the Deputy Leader of the Minority Party in order to mislead this House?

The Temporary Speaker (Hon. Farah Maalim): Order, Hon. Kimani. That is a point of argument, not a point of order. Proceed, Hon. Mbui. You are protected.

Hon. Robert Mbui (Kathiani, WDM): The Speaker recently issued a ruling on these very irritating points of order, which are not points of order because they are arguments. Everybody has an opportunity to debate, and this is mine. Anyone who rises to interrupt me must allow me to get a time extension, so that I can finish my contribution. We listened to them in silence, let them also listen to us.

The Temporary Speaker (Hon. Farah Maalim): Hon. Mbui, the Chair will protect you.

Hon. Robert Mbui (Kathiani, WDM): Thank you, Hon. Temporary Speaker. We were told that Kenyans...

(Hon. Kimani Ichung'wah spoke off the record)

The Temporary Speaker (Hon. Farah Maalim): Do you wish to be informed by the Leader of the Majority Party?

Hon. Robert Mbui (Kathiani, WDM): I do not want to be informed by the Leader of the Majority Party.

The Temporary Speaker (Hon. Farah Maalim): Fair enough. Continue.

Hon. Robert Mbui (Kathiani, WDM): Hon. Temporary Speaker, I am very well informed. I am okay. Kenyans were told that those earning less than Ksh30,000 will get some reprieve. Kenyans would expect that since this Bill deals with taxation, it would contain provisions of that nature. Nothing of the sort is present in the Bill. The Mover of the Bill said that the Bill intends to widen the tax bracket. This means that they are looking for opportunities and ways in which they can take money out of Kenyan's pockets and tax them more. The reality is that this Bill impacts the basic needs. Abraham Maslow said there are three basic needs for a human being: food, clothing, and shelter. This Bill will tax clothes for those people who cannot afford new clothes. We are introducing a tax on *mitumba* clothes bought by our employees because they do not have money. We are taxing the poor and the hustlers.

Hon. Kimani Ichung'wah (Kikuyu, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): What is your point of order, Leader of the Majority Party?

Hon. Robert Mbui (Kathiani, WDM): The hustler will not be able...

The Temporary Speaker (Hon. Farah Maalim): Just a moment. The Leader of the Majority Party is on a point of order.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, I hate to interrupt Hon. Robert. That is why I sought to inform him. Is Hon. Robert in order to use the Floor of this House to misinform the country that there is a tax on *mitumba*? I have gone

through this Bill clause by clause. A former chairperson of the LSK made the same allegations. I thought the likes of Hon. Kaluma, who are lawyers and referred to as learned friends, are well-versed with the Bill.

I even called her to tell her that she may seem learned, but she is not at all, because what Hon. Robert is saying is just propaganda being spread. I challenge Hon. Robert Mbui to substantiate and show the House and the country where in this Bill that tax proposal is. This is because the Bill, as published, has no such tax proposal. The fact is that such a proposal was presented to the Committee during public participation.

Hon. Temporary Speaker, protect me from Member for Kajiado North, Hon. Ngogoyo, who still imagines we are in a cattle market in Kajiado.

(Several Members spoke off the record)

The Temporary Speaker (Hon. Farah Maalim): Order! Order! Leader of the Majority Party. You have made your point.

(Hon. Wanami Wamboka spoke off the record)

Order! Hon. Wamboka. Order, Hon. Members! This is a House of Dignity. Proceed, Hon. Mbui.

Hon. Robert Mbui (Kathiani, WDM): Thank you, Hon. Temporary Speaker. The other basic need is housing. On Clause 4, there is a proposal to introduce...

The Temporary Speaker (Hon. Farah Maalim): Order, Hon. Mbui. You made a specific claim that the Bill...

Hon. Robert Mbui (Kathiani, WDM): Hon. Temporary Speaker, the size of this Bill will take me...

(Several Members spoke off the record)

The Temporary Speaker (Hon. Farah Maalim): Order! Order! Order, Hon. Members. You are not supposed to engage an honourable Member across the aisle. This is a House of Dignity. Hon. Mbui, *The Hansard* will show that you said in this Bill that mitumba clothes are taxed. The Leader of the Majority Party has said that it is not true and factually, you are misleading the House and the public at large. Could you now proceed and specify which clause this is in? Those are the basic rules of the House.

(Applause)

Hon. Robert Mbui (Kathiani, WDM): Hon. Temporary Speaker, this is a huge Bill. I will have to go through the Bill clause by clause to find it. Allow me to proceed, and I will get you the specific clause.

Hon. Joseph Munyoro (Kigumo, UDA): On a point of information, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): Order! Order! You want to inform whom?

Hon. Robert Mbui (Kathiani, WDM): Hon. Temporary Speaker, one of my members can inform the House.

The Temporary Speaker (Hon. Farah Maalim): Hon. Mbui, do you wish to be informed?

Hon. Robert Mbui (Kathiani, WDM): Yes. By one of the Members who has gotten the clause.

The Temporary Speaker (Hon. Farah Maalim): By whom? Who is on a point of information?

Hon. Wanami Wamboka (Bumula, DAP-K): Hon. Munyoro, Member for Kigumo.

The Temporary Speaker (Hon. Farah Maalim): Hon. Munyoro? Hon. Members, I want to draw your attention to Standing Order No. 91: A Member shall be responsible for the accuracy of any facts which the Member alleges to be true and may be required to substantiate any such facts instantly.

(Hon. Robert Mbui spoke off the record)

Order! Order, Hon. Mbui. Are you on a point of information?

Hon. Joseph Munyoro (Kigumo, UDA): Yes.

The Temporary Speaker (Hon. Farah Maalim): You wish to inform whom?

Hon. Joseph Munyoro (Kigumo, UDA): Hon. Mbui.

The Temporary Speaker (Hon. Farah Maalim): There is a matter that precedes that. The Standing Orders are very clear and straightforward.

(Hon. Robert Mbui spoke off the record)

Order, Hon. Mbui. Standing Order No. 91(2) states that if a Member has sufficient reason to convince the Speaker that the Member is unable to substantiate the allegations instantly, the Speaker shall require that such Member substantiate the allegations not later than the next sitting day. Who is on a point of information? Hon. Munyoro.

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? Somebody is already on a point of information. Hon. Mbui, do you wish to be informed by Hon. Munyoro?

Hon. Robert Mbui (Kathiani, WDM): Yes.

The Temporary Speaker (Hon. Farah Maalim): Proceed.

Hon. Joseph Munyoro (Kigumo, UDA): Thank you, Hon. Temporary Speaker. Hon. Mbui misspoke. He meant the tax on new clothes that was to be introduced, as proposed in the Finance Bill. I want the Leader of the Majority Party to confirm that.

(Several Members spoke off the record)

The Temporary Speaker (Hon. Farah Maalim): Order! Hon. Mbui, you either substantiate or withdraw.

Hon. Robert Mbui (Kathiani, WDM): I know the Standing Orders, but for the sake of time, because Members want to eat into my time, I withdraw that comment, but I will substantiate it later. I withdraw it from my contribution.

The Temporary Speaker (Hon. Farah Maalim): Fair enough.

Hon. Robert Mbui (Kathiani, WDM): Hon. Temporary Speaker, I hope they will not stand up and say that there is no proposal to tax rental income at a higher rate. There is an introduction of a new tax called the non-resident rental income tax, which will be charged at a rate of 30 per cent. This means that if the landlord has to pay more, the increase will obviously be passed on to their tenants. That, again, is a punishment for Kenyans because that will...

The Temporary Speaker (Hon. Farah Maalim): What is out of order, Leader of the Majority Party? I will give you sufficient time, Hon. Mbui.

Hon. Kimani Ichung'wah (Kikuyu, UDA): I again rise on Standing Order 91 on responsibility for statement of facts. Hon. Mbui purports that there is a new tax on rental

income. Clearly, Hon. Mbui has not gone through this Bill. Let me help him. It is under Clause 4 of the Bill.

(Several Members spoke off the record)

The Temporary Speaker (Hon. Farah Maalim): Order! I have allowed him to rise on a point of order. He claims that you are misleading. Order!

(Hon. Wanami Wamboka spoke off the record)

Hon. Robert Mbui (Kathiani, WDM): What is his point of order?

The Temporary Speaker (Hon. Farah Maalim): Order! Order! Order, Hon. Members. Order, Hon. Wamboka. When the Chair is on his feet, you are supposed to freeze. Order! You just said that there is a tax on rental income. He is just asking you to substantiate that fact. Proceed and substantiate. Order! The rules are very clear. Order! Maybe some of you want to become heroes because you want the Hon. Temporary Speaker to throw you out.

(Hon. Wanami Wamboka spoke off the record)

Order, Hon. Wamboka. You are a first-timer in this House. Order! When the Chair is on his feet, you freeze.

(Several Members spoke off the record)

Order! From the look of things, Hon. Members want to become heroes and appear in the newspapers tomorrow. If you have facts, you will have an opportunity to speak. If you raise an issue and claim that it is a fact, any Member on the other side has the right to contest your claim and ask you to prove it. Have you got my point? If you really have serious issues, you will have your moment. The Temporary Speaker is going to give you an opportunity to say whatever you have to say.

(Loud consultations)

Order!

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, can I finish making my point? I had not even raised the issue because they interrupted me. Hon. Mbui is actually wasting more time if he does not allow me to just guide the House. The Standing Orders speak on statements of facts.

(Loud consultations)

The Temporary Speaker (Hon. Farah Maalim): Hon. Mbui, I will give you all the time you need to make your point.

(Hon. Robert Mbui spoke off the record)

Order. It is not your business to control him. It is my business to control him.

(Hon. Robert Mbui consulted loudly)

I now see that people want to become heroes. You do not have any points or anything substantial to say here. You want me to throw you out, but I am not going to give you that pleasure. He rose on a point of order.

(Hon. Robert Mbui spoke off the record)

Order. Why do you keep on saying things you cannot substantiate?

(Hon. Robert Mbui spoke off the record)

What is your point of order?

(Loud consultations)

Why are you saying it is not in order? Order. What is your point of order?

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, I am very clear. I rise under Standing Order 91 on a statement of fact, not to interrupt my brother Hon. Robert Mbui, or even to read for him.

Hon. Mbui purported in his statement that the Bill introduces a new tax on rental income. I ask that he must substantiate. He said that there is a new tax, but what is in the Bill is not a new tax. It is a tax for non-resident Kenyans. It does not affect any Kenyan. It is about a foreigner who owns a property in Nairobi and is being required to pay tax on it. Hon. Robert Mbui is behaving like Hon. Kalonzo Musyoka, who told us that we are converting freehold land into leasehold land without reading the Bill.

(Loud consultations)

The Temporary Speaker (Hon. Farah Maalim): Order, Leader of Majority Party. Hon. Mbui, proceed. I will protect you. Just allow the House also to be orderly.

Hon. Robert Mbui (Kathiani, WDM): Thank you, Hon. Temporary Speaker, for your protection. The Non-Resident Rental Income Tax is actually at the rate of 30 per cent. I am saying that anyone....

The Temporary Speaker (Hon. Farah Maalim): Hon. Mbui, ordinarily, your time would have been up, but I am giving you five more minutes for you to speak.

Hon. Robert Mbui (Kathiani, WDM): Thank you, Hon. Temporary Speaker. My argument is that every time we impose extra taxation on a landlord, the person who suffers is the tenant. That is the possibility I am looking at. This tax will be passed on to our citizens.

There is also taxation on digital platforms, which have not even been defined. These are platforms where we trade online. We are talking about things like Uber and other online platforms. They are all being taxed.

The Bill also contains a proposal on payment networks. Here, I see M-PESA and Airtel Money falling into the tax bracket, yet these are the banks of the hustlers since some of them cannot use the actual banks. The service fee of Payment cards like Visa and Mastercard is also being taxed.

(Hon. Wanami Wamboka consulted loudly)

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

Hon. Robert Mbui (Kathiani, WDM): I want to move to the issue of tax procedures. I remember the current President telling Kenyans that when he becomes president, he would try to make sure that the Kenya Revenue Authority becomes the Kenya Revenue Service. I now see that the Kenya Revenue Authority is becoming the Kenya Revenue Force. I say so because the Bill contains a proposal to allow the Commissioner to use data derived from tax assessments from third parties to determine how much tax one should pay.

(Applause)

In the same industry, business concepts are different. Two people can have hardware outlets of the same size, but one of them can make profits while the other makes losses. How can they decide that they are going to use data to determine how much someone owes? It is even scary. Under the previous system, if the taxman left you with a tax bill, you could negotiate, and if you were not happy, you could go to court. The proposal being presented to this House by the Executive is that you must pay before you go to court. If you go to court, your bank accounts will be frozen even if the case takes 10 years. The Commissioner is being given unfettered powers that must not be given to anyone. The fear is that if this is done, we will be weaponizing the Kenya Revenue Authority and turning it into the Kenya Revenue Force. They will be carrying out assessments by themselves and deciding that you owe them Ksh100 billion and forcing you to pay. If you do not pay, they freeze your bank accounts. These are things we cannot accept because Kenyan will be punished unfairly. I am happy because I have seen an attempt by the Committee to reject some of these things. Even though we are talking about them, the fact is that until we go to the Committee of the whole House, they still remain in print and still remain proposals of the Executive.

There is a proposal to shorten the time we take to file returns after the end of the year. The proposal is to shorten the normal six-month period to four months. Basically, that means more people will default because they will not be able to file their returns on time and therefore will be penalised. That is another way of trying to extract money from Kenyans through penalties. The six-month period is enough and should be retained. Worse still, there is a proposal requiring those filing nil returns to do so within a month. People who will be filing nil returns will now have to engage accountants to update their books quickly before the month is over. That basically exposes them to the possibility of default.

Hon. Temporary Speaker, this Bill does not seek to help Kenyans. It seeks to hurt them. That is why Kenyans are constantly dissatisfied with this regime. We will propose amendments to this Bill right from the first Clause all the way to the last Clause. We will not reject the Bill. We will amend it to remove any proposal to increase the taxes being imposed on Kenyans.

(Applause)

The intention of the Executive is to raise more than Ksh100 billion from Kenyans, who are already suffering. I heard the Cabinet Secretary of the Ministry of Interior and National Administration say that our children are rioting in schools, maybe because their teachers are also Gen-Z and do not understand how to run the institutions. I want to tell him that all teachers are professional and are able to run their institutions. The stress that the teachers, the parents and the children have comes from Bills that impose a burden on everybody in this country.

With those remarks, I oppose.

The Temporary Speaker (Hon. Farah Maalim): Leader of the Majority Party, would you like to make your presentation now?

Hon. Kimani Ichung'wah (Kikuyu, UDA): Thank you, Hon. Temporary Speaker. I rise to support the Bill. I begin by thanking the Departmental Committee on Finance and National Planning, first, for the very extensive public participation they conducted on this Bill. Consequent to that public participation, unlike what many people were made to believe some two years ago - that their views do not matter or count - those who listened to the Mover of this debate, the Member for Molo, heard him articulate very clearly some measures that the Committee proposes to the House.

It is good that Kenyans understand that we debate the Bill as published. As Hon. Robert Mbui said, we debate what is published in the Bill, informed by the views of the public following public participation, which then informs the amendments that he talked about. I want to assure Hon. Robert Mbui that even as Members will be proposing amendments to the Bill,

the Committee has already proposed amendments in the Report it has tabled. Some of the amendments touch on the issues that my brother has talked about.

There was a proposal in the published Bill to enable some people to file returns in March and others in June. That proposal has since been rationalised. We have made it clear in the Report that individual taxpayers will file their returns 4 months after the end of the year. An individual taxpayer is anybody with a KRA PIN that starts with the letter A. If your KRA PIN starts with the letter "A", you are considered an individual. Those whose KRA PIN starts with "P" are businesses, and they have until the end of June, as is usually the case. I hope that is clear.

Hon. Robert Mbui put it very well. The Finance Bill has the objective of raising revenue, but raising revenue does not necessarily mean additional taxes. That assertion is untrue. There are no additional taxes on rental income. As I said, and as provided under Clause 4, any Kenyan can get a copy of the Bill and read it. The proposal is not a new tax, and it does not affect Kenyan residents earning rental income. Rental income remains chargeable at the usual rate of 7.5 per cent. Nothing is changing.

The only thing that is changing relates to non-residents—foreigners who are not living in this country. They do not have a KRA PIN, yet they own properties. All the apartments in Kilimani, the Airbnb's in Westlands, Mlolongo, Kikuyu, and elsewhere are businesses owned by non-residents who do not pay tax in our country, yet they earn rental income from Kenyans. Those are the people being brought under the ambit of rental income tax. It is important to be clear, factual and truthful to the people of Kenya. Some Members of this House must resist the urge to excite people out there by telling them untruths. I challenge those Members who are not telling Kenyans what is actually contained in the Bill to do so.

Hon. Temporary Speaker, there is the question of deemed income for companies. I listened to the Chair from my office as he moved the debate. He stated clearly that the proposal contained in the Bill is intended to anchor into law what is currently being done. When dividends are not declared, it is deemed that about 60 per cent of that amount should be taxable income. The Chair of the Committee has clearly stated that they proposed the deletion of that provision. Therefore, when they move the amendment, that provision will cease to exist.

Hon. Kuria Kimani (Molo, UDA): On a point of information, Hon. Temporary Speaker.

Hon. Kimani Ichung'wah (Kikuyu, UDA): I can, of course, be informed by the Chairperson of the Departmental Committee on Finance and National Planning.

The Temporary Speaker (Hon. Farah Maalim): Proceed, Hon. Kimani.

Hon. Kuria Kimani (Molo, UDA): Thank you, Hon. Temporary Speaker. I would like to inform the Leader of the Majority Party and the House that there is no proposed change on rental income tax, either in the Bill or in our Report. What the Bill is changing is what is referred to as the tax incidence. Currently, if your landlord is a non-resident, the tenant is required to withhold the rental income tax and remit it to KRA. We are changing that tax incidence by transferring that responsibility from the tenant to the landlord. Once the Bill becomes law, the landlord will be paying that tax at the same rate.

I thought it important to inform the House accordingly and put the debate to rest on this particular matter.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Thank you, Chair.

Hon. Wakili Edward Muriu (Gatanga, UDA): On a point of information, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): Hon. Muriu, on what point are you rising?

Hon. Wakili Edward Muriu (Gatanga, UDA): I am rising on a point of information, Hon. Temporary Speaker.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, I cannot be informed by someone who is not well informed. I can only be informed by the Chair of the Departmental Committee, who is well informed.

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

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. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, if I may proceed...

Hon. Wanami Wamboka (Bumula, DAP-K): Thank you, Hon. Temporary Speaker...

The Temporary Speaker (Hon. Farah Maalim): Order! Hon. Muriu, when you seek to inform a Member and that Member declines the request, the matter is settled. You do not continue shouting from there. You sought to inform the Member on the Floor, and the Member indicated that he did not wish to be informed.

Hon. Wamboka, what is out of order?

Hon. Wanami Wamboka (Bumula, DAP-K): Hon. Temporary Speaker, I have listened to the Chairperson of the Departmental Committee on Finance and National Planning try to explain the tax imposed on non-residents. He claimed that it would not affect Kenyans. If the non-Kenyans who own apartments, to whom the Leader of the Majority Party has alluded, have their taxes increased, they will ultimately pass the same on to the tenants.

That is why we are saying it is a mischievous way of increasing taxes. Ultimately, the burden will be transferred to tenants.

(Loud consultations)

The Temporary Speaker (Hon. Farah Maalim): Order, Hon. Wamboka! I am on the Chair. Order! Unless you did not listen, the Honourable Member said that, initially, the onus was on the tenant to remit that tax to KRA as withholding tax. The onus is now shifting to the property owners, who are foreigners. He did not say what you are alleging.

(Applause)

Proceed, Leader of the Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): You have put it very well, Hon. Temporary Speaker.

Hon. Wakili Edward Muriu (Gatanga, UDA): On a point of order, Hon. Temporary Speaker.

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

Hon. Kimani Ichung'wah (Kikuyu, UDA): Could he tell us the Standing Order under which he is raising the point of order?

The Temporary Speaker (Hon. Farah Maalim): Order! Let me hear his point of order.

Hon. Wakili Edward Muriu (Gatanga, UDA): Hon. Temporary Speaker, is it in order for the Leader of the Majority Party to mislead the House on the literal and legal meaning of "non-resident"? Black's Law Dictionary defines a non-resident as an individual who does not live permanently, work, or maintain a primary presence in a specific jurisdiction or establishment. The concern is who those being referred to as non-residents in this Bill are. If what the Leader of the Majority Party means is a non-citizen, then he should use the term 'non-citizen'. The point is this...

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, that is a point of argument.

The Temporary Speaker (Hon. Farah Maalim): Order, Leader of the Majority Party!

*(Hon. Gabriel Tongoyo and
Hon. Wanami Wamboka consulted loudly)*

Order, Hon. Tongoyo and Hon. Wamboka! The Chair is calling you to order! A non-resident can be Kenyan or non-Kenyan.

Hon. Members: Yes!

(Applause)

The Temporary Speaker (Hon. Farah Maalim): The key issue is that this person has not been listed within our tax system. A non-resident is somebody who is not paying taxes in Kenya, is not a resident in Kenya, and does not have a KRA PIN.

(Loud consultations)

I am simply trying to break it down. If I am wrong, you may correct me. So, the idea is that whoever earns rental income, whether a citizen or a non-citizen and a non-resident, must have a KRA PIN. Is that what it means? The onus will now be on that person residing outside the country to remit the taxes to KRA instead of the tenant doing so.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Indeed, to make it even clearer, in the tax law, there are only two categories: resident and non-resident.

The Temporary Speaker (Hon. Farah Maalim): Yes.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, the Departmental Committee Chair made it clear. You have also clarified that for non-residents, the obligation to pay rental tax was previously on the tenant, who would withhold that tax and remit it to KRA. There is no change in the rate of tax in this Finance Bill. There is no introduction of a new tax. The change is only on who remits the same tax to KRA. The burden is being shifted from the tenant to the landlord, whether the landlord is a resident or a non-resident. For resident landlords, like myself, you declare your rental income and pay tax on it to KRA. For a non-resident, the tenant is required to withhold and remit the tax.

Hon. Temporary Speaker, that is clear. Can I continue with my submission?

(Hon. Wakili Edward Muriu spoke off the record)

The Temporary Speaker (Hon. Farah Maalim): Order, Leader of the Majority Party. Order, Hon. Muriu. I thought this meant that whether you are a citizen or non-citizen, as long as you collect rental income from Kenya, you need to pay tax. Is it correct, Hon. Kimani? If you are not a resident in Kenya, the onus of remitting those taxes to KRA was previously on tenants. However, that responsibility will now fall squarely on you, whether you are a citizen or a non-citizen.

Hon. Kuria Kimani (Molo, UDA): On a point of information, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): Who do you want to inform?

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Speaker....

The Temporary Speaker (Hon. Farah Maalim): Are you informing me?

Hon. Kuria Kimani (Molo, UDA): I am informing the Leader of the Majority Party. In any case, what is this clause trying to cure? As currently drafted in the Income Tax Act, if

you are a tenant and your landlord is a non-resident, you are required to retain withholding tax and remit it to KRA. The complication is how you, as a tenant, will know whether your landlord is a resident or a non-resident. Therefore, KRA will come to assess you and say that you have failed to remit withholding tax on your landlord, who is a non-resident. They will then impose penalties and interest on you. So, you are being punished, but you do not know whether your landlord is a resident or a non-resident. By changing that incidence from the tenant to the landlord, we are saying that, as a tenant, I do not care whether my landlord is a resident or a non-resident. The responsibility for paying income tax lies with the landlord, not the tenant. I hope that the matter now comes to light.

The Temporary Speaker (Hon. Farah Maalim): Proceed, Leader of the Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Let me thank the Committee Chair because he has effectively deconstructed the propaganda, lies and innuendos that were being peddled around the issue of rental income tax.

I had submitted on the question of deemed income for people who are not paying dividends. I made it clear, as the Chair had very well-articulated while moving this debate, that there is a proposal to delete that particular provision to allow businesses in the country to hold retained earnings for future investment, grow their companies and create job opportunities for Kenyans.

Secondly, I agree with my brother, Hon. Robert Mbui, when he said that the Finance Bill indeed has the objective of raising revenue. It is true. I had said that raising revenue does not necessarily mean increasing taxes or introducing new taxes. That is why we wanted to disabuse the notion being peddled that tenants will suffer. The Bill is saving tenants from being penalised for not collecting withholding tax on income from non-residents of Kenya.

Is it true that the Finance Bill has an objective of raising revenue? We cannot look Kenyans in the eye and tell them that we are not raising revenue. We are doing so. From whom are we raising revenue? The Departmental Committee on Finance and National Planning, in its VAT exemptions, has proposed to do away with proposals touching on raw materials for animal feeds and transport costs in our sugar sector. If you listened to the Committee Chair, you must have heard him state that these proposals will be deleted from the Bill. It is always good to read the Committee's Report. That is why it was tabled in the House before we began this debate.

Where are we raising revenue from? We have people importing choppers and light aircraft into this country, which are luxury means of transport for the rich. We are going for them. Those who are bringing in choppers, private jets and light aircraft will pay for them. They have been bringing in choppers and light aircraft without paying duty or VAT. We are now going for them. They will pay VAT. Therefore, those who want to know where the money is coming from, that is, one such area.

(Several Members spoke off the record)

Hon. Temporary Speaker, those of us who are bringing in choppers will be taxed. Protect me and add me time because my time was taken away.

The Temporary Speaker (Hon. Farah Maalim): Order, Hon. Members. Proceed, Leader of the Majority Party.

Hon. Kimani Ichung'wah (Kikuyu, UDA): I have said it before that I have no qualms with importing choppers or light aircraft.

The Temporary Speaker (Hon. Farah Maalim): You can have an additional five minutes.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Thank you, Hon. Temporary Speaker. Where else are we raising money from? I want to look Hon. Robert Mbui in the eye as I say this. The people of Kathiani, the young people in Kikuyu and across the country generally, and

parents, have suffered from betting. People are betting away their school fees and money meant for medication. We are going for those who are betting. That is where the tax revenue will come from.

The tax proposals under Clauses 2 and 17 of the Bill bring into the ambit of taxation what are called land-based casinos. We have effectively dealt with the question of online gambling. Today, people who operate land-based casinos, those giving away prizes like cars and those running lotteries where you win a car are not being taxed. Therefore, we are bringing them into the ambit of taxation at the rate of 20 per cent. This not only raises revenue but also addresses the habit of betting, through which many families have suffered.

Unfortunately, the people who are suffering are in our villages. They bet at street corners and kiosks on machines usually installed by foreigners, most of which are Chinese-made and Chinese-owned. People bet, and those operators do not pay tax. We must go for them to raise tax revenue. I want anybody to stand here and tell us that we should not tax those people and protect our children. I want you to tell me that we should not tax those who are importing choppers and light aircraft into the country. While doing this, we are also protecting the aviation industry.

In the past, people would buy spare parts and ship them to our neighbouring countries. They would then fly their aircraft there for repairs because spare parts were cheaper there. We are now exempting aircraft spare parts from tax, even for large aircraft. If Kenya Airways (KQ) were to buy a new plane, for instance, that is exempted. If Lufthansa or British Airways wants to repair its Boeing or Airbus aircraft in Nairobi, its parts are also exempt from tax. That is how this Bill addresses that question.

The Bill also speaks to the uncertainty that existed around gratuity. Hon. Robert Mbui, other Members here, and I have staff in our offices who are paid gratuity. Some of your staff retired after two or three years, but they did not benefit from a gratuity. The Bill makes it clear that so long as you have worked for three years, you will benefit from gratuity. That is putting money back into our people's pockets.

Hon. Temporary Speaker, the amendments to the VAT Act touch on issues that are proposed in the Bill, including pharmaceutical raw materials and other raw materials. The Committee has proposed to delete these provisions in line with the wishes of the people of Kenya, who expressed themselves during public participation.

Finally, hon. Speaker, there is a question that was raised by Honourable Members. Hon. Kaluma and the Departmental Committee Chair have divergent views on this provision, and Hon. Robert Mbui spoke about it. If you assess me, as the KRA and I go to the Tax Tribunal, at what point will I be forced to pay before I appeal? The Committee has proposed deleting that proposal: that when you go to the tribunal, you pay your tax at 100 per cent. The Committee has proposed to delete that proposal, but I beg to disagree because of what has been happening. Very large taxpayers are assessed at probably Ksh100 million, which...

The Temporary Speaker (Hon. Farah Maalim): You have an additional minute.

(Members consulted in low tones)

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, inform the House that you have added me time due to disruptions caused by some Members earlier.

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

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, I was saying that when your tax obligation is assessed at Ksh100 million, you have the right to go to the Tax Tribunal and seek reprieve. Hon. Robert Mbui told us that Kenyans will not go to court. The Tribunal is appointed by the Judiciary. It is a quasi-judicial process. You have the right to appeal before the High Court, all the way to the Supreme Court. The proposal that the

Departmental Committee on Finance and National Planning has brought to us is to delete that provision, but I was of a different view - that, at the point of being assessed, if you go to the Tribunal and the Tribunal upholds the assessment by KRA, you must pay something.

I propose that you pay at least 50 per cent of what is demanded by KRA as you appeal the Tribunal's verdict at the High Court because it is a game of chance and probability. The case at the High Court, and all the way to the Supreme Court, could end either way. People are using the judicial process to delay paying tax while many young and poor Kenyans continue to suffer ...

The Temporary Speaker (Hon. Farah Maalim): Next is Hon. Kaluma.

(Loud consultations)

Hon. Peter Kaluma (Homa Bay Town, ODM): Thank you, Hon. Temporary Speaker.

(Hon. Wanami Wamboka spoke off the record)

Hon. Member, it is my time.

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

Hon. Wanami Wamboka (Bumula, DAP-K): Hon. Temporary Speaker, is the Leader of the Majority Party in order to keep mentioning our leaders on the Floor of the House when he knows very well that they may not be able to come here and defend themselves? Is he in order?

The Temporary Speaker (Hon. Farah Maalim): Hon. Kaluma, continue.

Hon. Peter Kaluma (Homa Bay Town, ODM): Thank you, Hon. Temporary Speaker. I sit in the Departmental Committee on Finance and National Planning.

(Hon. Kimani Ichung'wah spoke off the record)

The Temporary Speaker (Hon. Farah Maalim): Leader of the Majority Party, what is your point of order?

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, you know that Hon. Jack Wamboka is my very good friend. He knows what I may have said was not on record. He is now informing Kenyans about what I might have said off the record. All I said was that Hon. Kalonzo Musyoka had not read the Finance Bill when he alleged that we are converting freehold land into leasehold land, just like Hon. Robert Mbui had not read the Finance Bill. The other man from Wamunyororo told them to come here and make noise instead of contributing ideas on how we can raise taxes.

(Loud consultations)

The Temporary Speaker (Hon. Farah Maalim): Order, Leader of the Majority Party. Hon. Kaluma, proceed.

Hon. Peter Kaluma (Homa Bay Town, ODM): Thank you, Hon. Temporary Speaker.

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

(Hon. Robert Mbui spoke off the record)

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

(Hon. Majimbo Kalasinga spoke off the record)

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

Hon. Robert Mbui (Kathiani, WDM): Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): I have given the Floor to Hon. Mbui. The rest of you, be quiet.

Hon. Robert Mbui (Kathiani, WDM): With all due respect to the Leader of the Majority Party, who tells us that he understands the Standing Orders, is he in order to discuss a Member who was a Former Vice President, and most likely the next President, Hon. Kalonzo Musyoka, without moving a substantive Motion? Is he in order?

(Loud consultations)

The Temporary Speaker (Hon. Farah Maalim): Yes, what is your point of order? Order. Gracious Lady Wamuchomba is on a point of order. She must be heard in silence.

Hon. Gathoni Wamuchomba (Githunguri, UDA): Thank you, Hon. Temporary Speaker. When you are seated there, you have neither eyes nor ears until we inform you. Is it in order for Hon. Members elected by millions of people to shout like they are in a marketplace instead of rising on points of order? Are they in order?

(Loud consultations)

The Temporary Speaker (Hon. Farah Maalim): Order, Hon. Members! Hon. Kaluma has the Floor.

Hon. Peter Kaluma (Homa Bay Town, ODM): Thank you, Hon. Speaker. I sit in the Departmental Committee on Finance and National Planning. This has been the most difficult Finance Bill we have had to process because it was being done in a very constrained economic environment. We looked at how to ensure efficient tax administration, of course, without increasing taxes. As people have been saying, the tax burden on individuals is very high. We looked at how to broaden the tax base and ensure everyone pays their due taxes without increasing any taxes. I confirm that, as a Committee, we did not just seek the views of Kenyans across the country; we also sat for very long hours during public participation sessions. By yesterday, when we sat to process the Report, I remember the Chair called asking, "What are you still sitting over?" It was because of exhaustion.

Of course, I am grateful to the Kenyans who gave their views on these taxation measures. Their views have been integrated into our Report. By yesterday, the Committee's Report was over 350 pages. I believe there could be changes upon increases or decreases, but it confirms the level of public participation and engagement in this matter. Unlike in 2024, Kenyans have come forward with views to enrich the Finance Bill, especially the young people. The Bill, as drawn, has secured enough revenue resources that will sustain the Budget. We are acutely aware that it is the desire of Kenyans that we reduce the tax burden on the ordinary mwananchi, and more so for the vulnerable. Therefore, I am in support of this Bill. We went through it clause by clause. The Committee has made appropriate proposals on the provisions that require a bit of cleanup.

In the interest of time, and using my expertise in law, allow me to only highlight some issues on which I disagree with the Committee in terms of the amendments that have been proposed in the Report. I am doing so because, during our deliberations before adoption, I indicated to the Committee that I held a contrary view on some of the proposals. Let me start by attending to the issues I have in mind.

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The first issue is on the urgency notices that the Leader of the Majority Party ended up with. The current Tax Procedure Act says that when you dispute taxes, there is an alternative dispute resolution mechanism between you and KRA. If that mechanism fails to address the issue, you go to the Tax Appeals Tribunal as the judicial level of the first instance. If you are dissatisfied with the outcome, you have the right to appeal the tribunal's decision. Based on the structures of the Constitution, you can go to the Court of Appeal. The point in the Act before this Bill is that so long as you appeal the decision of the Tax Tribunal to the High Court, you can also appeal from the High Court to the Court of Appeal. You can appeal from the Court of Appeal to the Supreme Court. No agency notice will be issued. The Bill proposes that agency notices will not be issued once a person seeks redress before the Tax Appeals Tribunal. Once your case is heard and it is resolved that you owe the Government money, you may now appeal to the High Court if you need any further stays. If your case progresses from the High Court to the Court of Appeal, you will have to apply for a stay there. The fact that you are appealing the decision does not automatically discharge you from your obligation to pay the due taxes as determined by the Tribunal after attempts at alternative dispute resolution.

Hon. Temporary Speaker, like me, you are a lawyer and a very senior one. Once a person obtains an injunction during civil litigation, they go to the court of first instance. In the Court of Appeal, applications for stay are made under Rule 5(2)(b). The court will consider whether you are appealing on valid grounds or whether yours is a frivolous appeal, so that you can continue enjoying a stay.

I disagree with the Committee because it seeks to take us back to the previous situation in which, as long as one has pending appeals, there will be an automatic stay. Such appeals are not time-barred like election disputes. The person will keep their money indefinitely during the appeal, even if it is frivolous. I agree with the Bill and disagree with the Committee. Agency notices should be frozen up to the Tax Appeals Tribunal. After that, one should persuade the court that there are good grounds for appeal, with an attached memorandum, to prevent delays.

Hon. Kimani Ichung'wah (Kikuyu, UDA): On a point of information, Hon. Temporary Speaker.

Hon. Peter Kaluma (Homa Bay Town, ODM): I accept the information.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, I just want to inform Hon. Kaluma, who is a seasoned lawyer and has been working in the corridors of justice for some time now. Taxpayers have been going to court to freeze the process, thus preventing the Kenya Revenue Authority (KRA) from collecting taxes. That was the point I was trying to make in my conclusion. Whereas you and I and all other hard-working Kenyans pay taxes, very big businesspeople who can manipulate court processes do not. This Finance Bill raises taxes to ensure fairness and certainty in taxation.

Hon. Peter Kaluma (Homa Bay Town, ODM): Thank you, Hon. Temporary Speaker. It is about equity, as the Leader of the Majority Party rightly says. If we allow a situation in which people do not pay taxes as long as they appeal, the process will take too long because it is not time-barred. Whether or not a person has grounds for appeal, they will enjoy stay orders. If a person needs a stay, they should go to the Court of Appeal and persuade the court under Rule 5(2)(b) that they are not appealing on frivolous grounds. They can then be given a stay. The court will expedite the hearing. On that account, I disagree with the Committee.

(A Member spoke off the record)

The Temporary Speaker (Hon. Farah Maalim): Are you on a point of information?

Hon. Peter Kaluma (Homa Bay Town, ODM): No, I do not want information.

The Temporary Speaker (Hon. Farah Maalim): He does not want to be informed.

Hon. Peter Kaluma (Homa Bay Town, ODM): I do not want to be informed. I want to save on time so that as many of us as possible get the opportunity to speak. The Bill proposes to eliminate certain forms of taxation. I support the Bill to that extent. The current law states that if you locally purchase or import goods for direct and exclusive use in affordable housing projects, you will receive tax relief. You will enjoy an exemption. Those goods could even be zero-rated. How does one prove that the goods are for direct and exclusive use in affordable housing projects? Officers from KRA appeared before us and said that it would be difficult to prove. Some people have been getting affordable housing contracts to construct private property. They end up getting that relief, which distorts the market for others. The Committee has proposed to delete that provision. I disagree with it, so that the Bill remains as is.

Hon. Temporary Speaker, the issue of phones has been debated for a very long time. Hon. Members, we met the Principal Secretaries for the National Treasury last Friday. They told us there was a reason they were making those proposals. By the time they were leaving, we still did not agree with the idea that taxes become due on activation. They confirmed to us that, on their end, they still need to clarify that area.

We agreed, as a Committee, with the National Treasury that the issue of activation should be removed. However, a fundamental point was made: that currently, the dealers in the telephone industry prefer to import phones through Tanzania and Uganda. Why? It is because the import-related taxes we impose and the levies we put, including the Railway Development Levy on the importation of phones, are too high. They would rather import through Uganda or Tanzania, and then they get re-routed. There was a proposal to set aside activation and bring our level to that of the East African Community (EAC), so that we do not become a secondary market while also allowing the direct importation of phones. That way, we continue to benefit as others do. On that account also, I agree with the Committee on removing the provision. That you will deal with those issues at the point of activation, which is impracticable even to implement, and we wait for the National Treasury to cleanse them up...

The Temporary Speaker (Hon. Farah Maalim): Do you wish to be informed by Hon. Wamuchomba?

Hon. Peter Kaluma (Homa Bay Town, ODM): Yes, Hon. Temporary Speaker. I am worried about time.

The Temporary Speaker (Hon. Farah Maalim): You have one more minute.

Hon. Peter Kaluma (Homa Bay Town, ODM): Hon. Temporary Speaker, there was time for good debate, and this is very critical.

The Temporary Speaker (Hon. Farah Maalim): Do you wish to be informed or not? Just say yes or no.

Hon. Peter Kaluma (Homa Bay Town, ODM): Hon. Temporary Speaker, I thought I had four minutes. Parliament was established because there can be no taxation without representation. I thank you, Hon. Temporary Speaker, for allowing this engagement, but when we were engaging, my time was running out. Could I have my four minutes because I do not think they have been taken into account?

The Temporary Speaker (Hon. Farah Maalim): You have two minutes. Proceed.

Hon. Peter Kaluma (Homa Bay Town, ODM): Hon. Temporary Speaker, if we collapse the entire provision, we will be in a situation where Kenya will be at an economic disadvantage relative to the EAC countries. People and dealers will still import through those countries and then resell here. We allow them to handle activation so we avoid phones coming in from all over without taxes being paid on them, which is the current situation in Kenya. They said they would refine it, and we will bring it later. We agree that the taxes proposed for removal should be removed so that phones are cheaper and we become an attractive import destination for phones. We can get those import-related taxes.

My major issue has been this thing called zero-rating. If you look at the Bill, there are so many goods proposed for removal from the zero-rated category and placement in the exempt category. There is a reason for it. The National Treasury and KRA told us that maybe the goods we zero-rate should be those used in exports or those processed in Export Processing Zones (EPZs), because we want to be competitive in obtaining foreign exchange. We were told that while we zero-rate goods, there is no commensurate benefit to the people down there. If you zero-rate, for example, bread, bakeries instead of employing more bakers are employing accountants to seek tax refunds!

It was confirmed before us that, last year, tax expenditures on refunds alone were estimated at around Ksh510 billion. We are collecting money from poor people and giving it to a few people who are not passing the benefit to the consumers. Unless there is a good explanation and philosophy, we should not have that category where goods are just being thrown in without proper logic. There was clarification that it should be for export, and everything else should be removed. When the Committee moves that amendment, I will put in my dissent, and it can be addressed then.

I would have addressed the issue of amnesty, which is about the duty of people to pay taxes when due, but for lack of time I will not. I am against such provisions, and I will be proposing their deletion.

The Temporary Speaker (Hon. Farah Maalim): Hon. Zamzam Chimba.

Hon. Zamzam Mohammed (Mombasa County, ODM): Asante sana, Mhe. Spika wa Muda. Nainuka kuunga mkono Mswada huu. Mswada wa Fedha katika taifa lolote ni Mswada ambao unazingatia matumizi katika nyanja tofauti za taifa. Masuala ya kuboresha elimu yanahitaji mgao wake. Kuna masuala ya afya, usalama, kilimo na mengine mengi ambayo yanahitaji mkono wa Mkenya kuwekeza ili kupata huduma bora.

Mchawi ama mwanga sio lazima aruke na uteo. Kuna wengine ambao wana roho mbaya na fitina, na wanapotosha wananchi. Juzi na jana, tulizungumzia Bajeti ya taifa katika Bunge hili. Wengi wetu humu waliunga mkono. Wengine wakasema iongezwe hapa na pale. Nilikuwa nangoja leo niulize waliokuwa wanasema iongezeke, nyongeza ingetoka wapi? Tutakusanya mawe tuongeze kwenye Bajeti, ama tutatoa ushuru ili tuweze kuendesha Taifa?

Kwa upande wa barabara zetu za Kenya, jambo la msingi ambalo wenzetu wangetuambia ni kuwa kujenga barabara sio makosa, lakini zinajengwa katika hali gani? Je, zinajengwa tu kiblanketi na hazikai vizuri? Hiyo ndiyo tutasema ni ufisadi?

Tukiangalia huduma za hospitali, tunataka madawa yapatikane kwa wagonjwa kwa sababu wametoa ushuru kulipia madawa. Walioko upinzani wanastahili kuuliza kama kwenye kaunti wagonjwa wanakosa madawa, lakini si kupinga Mswada huu. Tunasisitiza hii haki ya Mkenya yeyote kulipa ushuru ili aweze kupata huduma bora. Juzi nimetoka Singapore. Niliangalia wanavyoendeleza *affordable housing*. Nilifurahi nikasema ikiwa tungechukua mfumo huo katika taifa hili, kila Mkenya leo angekuwa anamiliki nyumba yake. Lakini ni masikitiko kwamba katika taifa letu la Kenya, tumeweka siasa mbele. Tunapinga mambo mazuri ya kimsingi.

Pale Singapore wana mfumo mzuri ambao unawezesha kila kijana aliyetimia miaka kumi na minane na ameanza kazi... Ajabu ni kuwa tulipata uhuru wakati mmoja nao. Wamewekeza asilimia ishirini ya pesa zao kwenye *pension, affordable housing* na afya. Lakini hata wakikatwa hela hizo, inakuwa wamepata mahala pa kukaa. Wananchi wote wanakaa bila matatizo ya kulipa kodi ya nyumba. Huko Singapore, wanaolipa kodi ya nyumba ni wananchi ambao wametoka nje kuenda kufanya kazi huko. Hili ni jambo ninaloona Mhe. Rais anatamani liweze kutendeka katika taifa hili. Naomba tuweke siasa zetu kando, hasa kuhusu mambo ya kimsingi ya kumsaidia mwananchi. Ni muhimu tuangalie vile tunaweza kujenga taifa.

Niliangalia barabara zao nikaona hata unaweza kutandika ulale. Jambo ambalo linasikitisha Mkenya ni kwamba analipa ushuru ili apate huduma bora lakini haipati! Ikiwa ni

barabara, mwananchi anataka barabara bora. Kuna watu wanasimamia ujenzi wa barabara na wanaijenga vipande vipande, lakini pesa ambayo imetumika pale ni chungu nzima. Kila mwaka, barabara inawekwa vitambara. Ikiwa tutaweza kutumia mapeni yetu vizuri, barabara zetu zitanyooka kama ilivyo katika mataifa mengine, na Kenya itakuwa mfano wa kuigwa.

Jambo lingine ni uwekezaji. Tulielezwa huko Singapore kuwa *investors* wamepunguziwa ushuru ili waje kwa wingi watoe nafasi za ajira kwa wananchi wao. Hivyo, wanaendeleza uchumi wa taifa lao. Lakini sisi tumekuwa watu wa kupinga usiku na mchana. Hata tukipewa mwelekeo, tunapinga kila siku. Ukiangalia hii *Finance Bill*, imekaa vizuri kabisa.

Kuhusu jambo la mitumba, ningependa kumwambia Mama Mitumba pale soko la Kongowea kwamba hakuna ushuru ambao umeongezwa. Wao wanunue mitumba yao, na waendele kuuza. Wasifuatilie fitina.

Mhe. Spika wa Muda, katika ushuru ambao umewekwa kwenye nyumba, kwa mfano, wale watu ambao wanakaa mataifa ya nje kwa muda mrefu na hawako ndani ya Taifa la Kenya, na wamekwepa kwa muda mrefu kulipa ushuru, huu ni ushuru ambao unakusanyika na watakapofika, watalipa kwa wakati mmoja. Sisemi hao ambao wamekaa hapa mwaka mzima wakifanya shughuli zao. Ninataka niweke wazi kwamba hii *Finance Bill* isilete fitina ya kuchoma taifa. Wamama, watoto na wazee walipoteza maisha yao tukiona. Kuwasha moto katika taifa sio kujenga. Hata mimi ningekuwa upinzani leo, ningenyoo sha mahali inatafikana bila kuchoma taifa.

Nimeangalia Mswada huu vizuri; unalenga huduma bora ya afya hospitalini, elimu ya msingi, na kuhakikisha kuwa mgao wao unastahili. Wananchi wamepewa motisha. Wale ambao walikuwa wamelimbikiziwa faini ya kulipa kwa sababu walikwepa ushuru, wametolewa ushuru wa juu ndiposa waweze kutimiza malipo vile inavyostahili. Wakenya wengi hawalipi ushuru. Na ndio wengi wanasema wanafinyika wanapoingiza mzigo nchini.

Vile nimeelewa, sijaona kama ushuru umeongezwa. Ninavyoelewa, ni njama ya kupanua njia za kukusanya ushuru kutoka kwa wale ambao hawalipi ushuru. Tusiweke fitina. Yafaa tuwe *focused* ndugu zangu. Kenya ni yetu sisi sote. Tusiichome nchi kwa sababu ya siasa.

Mhe. Spika wa Muda. Juzi nilitoka mahali nilikuwa mbio ili nifike hapa kwa wakati uliofaa kwa sababu ya fitina iliyotokea. Miguu yangu bado yauma. Niko na imani kuwa hao ndugu zangu wako na maoni mazuri kuhusu taifa hili, wanastahili tu wawe na njia mwafaka ya kutuma ujumbe yao kule nje.

Mhe. Spika wa Muda, *naunga mkono Mswada huu*. Juzi tulimfukuza Adani. Nimetoka Singapore na pameng'aa sana, ilhali tulipata uhuru wakati mmoja. Tulimpoteza Adani. Leo hii, ameondolewa mashtaka na Amerikani baada ya kubainika kuwa hakuwa na makosa. Alikuwa amelimbikiziwa makosa. Tumempoteza kama wakenya kwa sababu ya fitina.

(Loud consultations)

Ahsante Mhe. Spika wa Muda kwa kunilinda. Mambo ninayozungumza leo kama Mama wa Kaunti ya Mombasa yanahusu maslahi ya watu wa Mombasa. Naona mgao uliotengwa kwa Bandari ya Mombasa ili kuendeleza maendeleo katika bandari hiyo...

Hon. Antony Kibagendi (Kitutu Chache South, ODM): On a point of order, Hon. Temporary Speaker.

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

Hon. Antony Kibagendi (Kitutu Chache South, ODM): Thank you, Hon. Temporary Speaker. Are we here to debate the Finance Bill, or to talk about trips people made to Singapore and Mombasa? Thank you.

(Loud consultations)

Hon. Zamzam Mohammed (Mombasa County, ODM): Mhe. Spika wa Muda, mtu aliye na dudu akilini ndiye anayeweza kuzungumza hivi. Sisi tumetoka hapa kwa ushuru uliolipwa na wakenya ili twende tukaangalie maendeleo yanayofanywa kwa mataifa mengine. Tuone mahali ambapo walikuwa, na mahali sisi tuko wakati huu ili tuweze kuleta huo ujanja hapa Kenya. Sikuenda kulala. Kama wewe unasafiri ndio ulale, balaa kwako. Nenda kwenye mtandao wa Mama Zamzam na utaona vile nachapa kazi na kuleta haki ya maendeleo ndani ya Bunge hili. Sikuchaguliwa na watu wa Mombasa nije nilale hapa.

Naiangalia ile bandari ya Mombasa na kuilinganusha na ile ya Singapore. Singapore inaingiza meli kila dakika nne, ilhali bandari ya Mombasa inaingiza meli moja baada ya miezi sita. Niko na haki ya kuwatetea wakaazi wa Mombasa ili vijana wetu wapate ajira. Lazima tupanue uchumi wa taifa na ushuru lazima tulipe. Tunafaa kuwa waangalifu mahali huu ushuru unaingia ili iingie kwenye kazi inayotengewa.

Asante sana, Mhe. Spika wa Muda.

The Temporary Speaker (Hon. Farah Maalim): Let us have Hon. Tongoyo.

(Loud consultations)

Order, Hon. Members. Hon. Tongoyo will be followed by Hon. Mawathe, then by Hon. Murugara. Proceed, in that order.

(Loud consultations)

Hon. Onesmus Ngogoyo (Kajiado North, UDA): Thank you, Hon. Temporary Speaker.
My apologies, but my name is not Hon. Tongoyo.

(Loud consultations)

The Temporary Speaker (Hon. Farah Maalim): Order, Hon. Members. Sorry, it is Hon. Ngogoyo. Please proceed.

Hon. Onesmus Ngogoyo (Kajiado North, UDA): Thank you, Hon. Temporary Speaker.

(Hon. Zamzam Mohammed spoke off the record)

The Temporary Speaker (Hon. Farah Maalim): Order, Hon. Zamzam. Take your seat.

(Laughter)

Hon. Kimani Ichung'wah (Kikuyu, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Farah Maalim): What is your point of order, Leader of the Majority Party, Hon. Kimani Ichung'wah?

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, our Standing Orders are very clear: We allow two languages in this House—Kiswahili, our national language, and English. It is up to the Member to choose which language to speak. The only thing we are not allowed to do is to mix the two languages. Therefore, Hon. Ngogoyo is out of order.

(Loud consultations)

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

Hon. Kimani Ichung'wah (Kikuyu, UDA): I ask that you protect Hon. Zamzam, Member for Mombasa County.

The Temporary Speaker (Hon. Farah Maalim): The Chair will protect every Member here. Hon. Ngogoyo has the Floor now.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Thank you, Hon. Temporary Speaker, for protecting the Member for Mombasa County from the hecklers here. Wamunyoro told them to come and heckle here instead of contributing ideas.

(Loud consultations)

The Temporary Speaker (Hon. Farah Maalim): Proceed, Hon. Ngogoyo.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Can they at least read the Bill?

(Loud consultations)

The Temporary Speaker (Hon. Farah Maalim): Order, Hon. Members. Hon. Zamzam has my total protection.

We will have Hon. Ngogoyo, followed by Hon. Mawathe and then Hon. Murugara in that order.

Hon. Onesmus Ngogoyo (Kajiado North, UDA): Thank you, Hon. Temporary Speaker. I rise to oppose the Finance Bill, as it has been presented before us by the Chairperson, Hon. Kimani Kuria. First of all, the amendments that have been proposed on various Acts of this Parliament are in contradiction with a number of principles that I will describe as I give my presentation.

One, there is a basic assumption that there is no new tax. In my presentation, I will prove that there are new taxes that are being proposed. I ask anybody who disputes to challenge me. On the issue of Clause 31 of the Bill....

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

*[The Temporary Speaker
(Hon. Peter Kaluma) in the Chair]*

Hon. Kimani Ichung'wah is taking photos of Members while using his phone. It is wrong for a Member of Parliament to take photos of other Members. Members should not use their gadgets to take photos.

(Loud consultations)

Hon. Kimani Ichung'wah (Kikuyu, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Peter Kaluma): What is out of order, Leader of the Majority Party? Can you guillotine the time for Hon. Ngogoyo?

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, I am a very disciplined Member. Whenever I want to use my phone, I excuse myself to go to the back.

Hon. Onesmus Ngogoyo (Kajiado North, UDA): I am on the Floor.

Hon. Kimani Ichung'wah (Kikuyu, UDA): I am on a point of order. Take your seat. The Member for Kajiado North is fond of mentioning my name in vain, apparently to gain favour from those he thinks he can gain it from. Hon. Temporary Speaker, I want you to direct

that I release this phone to the Serjeant-at-Arms. If no photo was taken because I was simply texting as I listened, then Hon. Ngogoyo should be held to account for his misleading statements that I was taking photos. I am too mature. I am not as immature as you are, my friend. He is the one who takes photos to send to his girlfriends.

The Temporary Speaker (Hon. Peter Kaluma): Order, please. Hon. Members, let me tell you what will happen if you keep intervening. I will guillotine time for the Members you seek to disrupt.

(Applause)

Let us allow everybody to have their time to speak. Rise on a point of order only when it is very necessary. Hon. Ngogoyo, the Leader of the Majority Party, says he never took any photo. Just withdraw and apologise, then we proceed with the matter.

Hon. Onesmus Ngogoyo (Kajiado North, UDA): Hon. Temporary Speaker, I saw him holding his phone and pointing it at us. It is not wrong for me to raise that issue.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Ngogoyo, just withdraw and apologise. I want us to move on.

Hon. Onesmus Ngogoyo (Kajiado North, UDA): I withdraw and apologise. Allow me to proceed to the Finance Bill.

The Temporary Speaker (Hon. Peter Kaluma): Thank you.

Hon. Onesmus Ngogoyo (Kajiado North, UDA): First on Clause 31, the proposal by the Executive is to move certain items from zero-rated status to exempt status. This means that the supply of motorcycles under tariff heading 8711.60.00, electric bicycles, solar products, and lithium products will become exempt. Once they become exempt, the cost will shift to consumers. This is a direct increase for consumers. Previously, producers and manufacturers could claim input VAT. Once you exempt an item, you have increased the price of that commodity. The cost is, therefore, passed on to the consumer.

Second is the issue of VAT on digital platforms and financial services. The proposal is to impose VAT on these services. Once VAT is added to services offered through digital platforms, the cost will be borne directly by Kenyans. You cannot say you are not increasing taxes while introducing such proposals. I come from a county where we have a lot of production of ceramics. Under Clause 36, the Executive proposes changes to the duty applicable to imported ceramics and sanitary ware. They even go further and propose changing tariff heading 6910 from 50 per cent per kilo to the excisable value. This is a direct conflict of interest.

Every year, we deal with the issue of people who have tiles and ceramics. There are specific people involved in these businesses that you are interested in making them excisable. What this means is that you are targeting people not to pay taxes and edge out importers. Gikomba is full of traders importing sanitary materials for sale. Their products are cheaper because of economies of scale. Why would you want to advantage one person? Every Finance Bill seems to increase the cost of doing business for local manufacturers. This is a direct conflict of interest since you know the people who are in this business! Nobody will mention that, and the Committee continues to make similar recommendations year after year. Allow me to move to another controversial point...

Hon. Kuria Kimani (Molo, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Ngogoyo, so that we avoid this point of order, the Report of the Committee seeks to delete that provision that you are worried about.

Hon. Onesmus Ngogoyo (Kajiado North, UDA): Hon. Temporary Speaker. We are debating the Bill that is before the House, and the Report has already been tabled.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Ngogoyo, the Chairman of the Departmental Committee on Finance and National Planning, is on a point of order.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Speaker, is the Hon. Member in order to impute improper motive and conflict of interest against the Committee or its Report? The Hon. Member should declare if he is conflicted on the item he is purporting to read. The matters that are contained in this Bill are not limited to ceramics and tiles. There are many other products for which exemptions are being recommended. These recommendations are intended to incentivise local manufacturers and to ensure that we create jobs here in Kenya rather than exporting them elsewhere. I would want the Member to substantiate his allegation on who is conflicted. If he cannot do so, then he should withdraw that statement.

Hon. Onesmus Ngogoyo (Kajiado North, UDA): Hon. Temporary Speaker, two manufacturing companies in Kajiado have closed down. One was in Isinya, and the other along Pipeline Road. I am talking about details. They closed down back in 2023 when the first tax was introduced. I am saying that because the issue was raised even before the Committee; they came before the Committee. Allow me to say that we are debating the Bill that is before us. The Report of the Committee has just been tabled, and not everyone has had access to it.

The Temporary Speaker (Hon. Peter Kaluma): You are right. The Question is: have you said that the Members of the Departmental Committee on Finance and National Planning have a conflict of interest?

Hon. Onesmus Ngogoyo (Kajiado North, UDA): Hon. Temporary Speaker, I have not said so. I am a seasoned Member. I have not imputed any motive.

The Temporary Speaker (Hon. Peter Kaluma): If you have not said so, well and good. The Hansard will be checked. If you have not said so, you should proceed.

Hon. Onesmus Ngogoyo (Kajiado North, UDA): Thank you, Hon. Temporary Speaker. Allow me to say that... I do not want to engage you because I am the one on the Floor. Allow me to say that we are debating the Bill, not the Committee's Report. The Report has just been tabled. Some of us have not had access to the tabled Report.

On Clause 3, allow me to just avoid it. On Clause 7, on the issue of non-resident tax, if it means that foreigners are not paying rent, it should be said so in the Bill. There is nothing wrong with that. Just say you do not want foreigners to pay tax. There are Kenyans who own houses in this country and are in the diaspora. We will be encouraging them to buy houses in this country. If that is so, we should not tax them twice or thrice. When some of them were building their own houses, they paid tax. They also bring resources that we do not have into this country. You do not grow an economy by shouldering people who are trying to make ends meet.

The Finance Bill should be an enabler. If we say we are streamlining, what are we streamlining? If it is about revenue streams... The Bill proposed in this House would give the Commissioner General the ability to tax based on third-party information he cannot access or verify. So, that law is vague. What law can be useless like such a law? We are in this House to ensure we make laws for posterity. A characteristic of a good law is that it can go beyond its proponent's regime. What the Kenya Kwanza regime has proposed is the worst Finance Bill ever. This one that they are saying it is streamlining and it has not...

During his tenure, Uhuru Kenyatta never wanted to increase taxes beyond Ksh20 billion. This Bill proposes more than Ksh117 billion in tax revenue. When you look at the figures and the impact of some of the amendments the Bill is proposing, the amounts are outrageous. Allow me to say that if, indeed, the Bill is a good law, you do not need to convince people to pass it. A good law should explain itself. It should be very explicit, even for the people doing business. If the Committee received a hundred thousand proposals from the public, it means that the Bill is dangerously bad. I will be proposing amendments from Clause 1 to the last clause to prevent Kenyans from being burdened further than they already are.

Regarding the change in the dates for filing returns, you cannot give people who file nil returns one month. Why do people do nil returns? Nil returns mean that people have not made

profits. It also means that they were not able, probably within the financial year, to meet their expectations. The Bill says it is giving them one month. Why are we giving them a timeline? On matters of returns, some of us are not accountants and need advice from our financial experts. When you give a timeline to people who file nil returns... They are the local Kenyans, and some are university students. Why do we want to impose that on them? That is more dangerous than what we had in the Finance Bill of the last Financial Year.

Regarding gratuity, it may look like a good proposal to receive your gratuity over three years. However, that could disadvantage employers by requiring them to maintain contracts with employees for several years. Some employers have given their employees one-year or six-month contracts based on their abilities. Now you are forcing them into three-year contracts because gratuity will be scaled down for the employees you have.

In my opinion, let us reject this Finance Bill. It does not add value to any Kenyan. It is a burden. It is bad. It is a regime that wants to take...

The Temporary Speaker (Hon. Peter Kaluma): Yes, who was next? Hon. Mawathe. Members, remember that you have just passed the Budget, which you yourselves made. Also, make suggestions on how you want to fund that Budget.

Hon. Julius Mawathe (Embakasi South, WDM): Thank you, Hon. Temporary Speaker. Since you are in the Chair, I will refrain from commenting on what you have just said, implying that we should pass the Finance Bill because we have just passed the Budget. Allow me to contribute. Please, protect me from some hecklers. There are hecklers near me.

I stand to oppose. I say that we should reject this Finance Bill for the following reasons. One, this Bill imposes taxes on digital platforms.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Mawathe, which Member did you refer to as a heckler?

(Hon. Zamzam Mohammed spoke off the record)

Hon. Julius Mawathe (Embakasi South, WDM): Hon. Temporary Speaker, she is shouting. I am being polite.

(Hon. Zamzam Mohammed spoke off the record)

I am responding to the Speaker. You are taking up my time. She is shouting.

The Temporary Speaker (Hon. Peter Kaluma): That was not parliamentary language.

Hon. Julius Mawathe (Embakasi South, WDM): Hon. Temporary Speaker, is it parliamentary for her to shout?

(Hon. Zamzam Mohammed spoke off the record)

She is still shouting. Allow me to continue. Protect me, Hon. Temporary Speaker. Protect me.

The Temporary Speaker (Hon. Peter Kaluma): The term 'heckler' is expunged from *The Hansard*.

Hon. Julius Mawathe (Embakasi South, WDM): Okay, thank you. I say that we should reject this Finance Bill for the following reasons. It introduces additional taxes on payment platforms. Now, any Kenyan who goes out there and pays for anything using M-Pesa will be taxed. Why are we going after the poor and taxing the little that they have? They can barely afford to buy *sukuma wiki*, *unga* and *sukari*. And when they pay through M-Pesa, they are taxed. That is incorrect. As is known in Swahili, I quote: 'Punda amechoka.'

The deadline for filing taxes has been reduced from six months to four months. That is wrong. Let us reject this Finance Bill. Let us retain the six months. Otherwise, we should reject this Finance Bill.

You are adding taxes on small items. We are saying that we should use climate-friendly means of generating power, yet you are imposing taxes on items such as lithium batteries. It is important that we find ways of raising revenue without taxing what the ordinary mwananchi uses every day.

We are increasing taxes on the poor and reducing taxes on the rich. They have gone ahead and reduced taxes on choppers, planes and similar items, yet they are increasing taxes on M-Pesa payments used by every ordinary mwananchi.

On the issue of KRA...

Hon. George Sunkuyia (Kajiado West, ODM): On a point of order.

The Temporary Speaker (Hon. Peter Kaluma): Hon. George Sunkuyia, you are on a point of order.

Hon. George Sunkuyia (Kajiado West, ODM): The Hon. Member is explaining matters that are not contained in this Bill. Read it properly.

Hon. Julius Mawathe (Embakasi South, WDM): Have you read the Finance Bill? Have you read it?

The Temporary Speaker (Hon. Peter Kaluma): Order! Take your seat. Take your seat, Hon. Mawathe! Hon. Mawathe, do not worry about your time. Take your seat.

Hon. George Sunkuyia, what was your point of order?

Hon. George Sunkuyia (Kajiado West, ODM): Thank you, Hon. Temporary Speaker. Actually, what he is referring to is not contained in that particular Bill. Surely. Do not simply turn around and make a lot of noise just to show you oppose the Bill.

The Temporary Speaker (Hon. Peter Kaluma): Hon. George, you have made your point. Hon. Mawathe, what clause of the Bill are you referring to? Just specify the clause and proceed.

Hon. Julius Mawathe (Embakasi South, WDM): Thank you, Hon. Temporary Speaker. I will specify the clause later, but I urge you to be neutral as you mediate between the Members. My friend, *Mheshimiwa* Sunkuyia, just return the notes to the owner so that I can proceed. Those are not your notes. Can you read them?

(Laughter)

On the issue of the KRA...

Hon. Kimani Ichung'wah (Kikuyu, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Peter Kaluma): The Leader of the Majority Party is on a point of order.

Hon. Julius Mawathe (Embakasi South, WDM): Hon. Temporary Speaker, he is interrupting everybody.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, I have heard a number of things being referred to. At the outset of Hon. Mawathe's speech, he said that, because you are in the Speaker's seat, he does not want to refer to what you said about passing the Budget and the Finance Bill, even though you contributed as the Member for Homa Bay Town. When in the Speaker's seat, you act as the Speaker. He continues to impute improper motives to the Speaker. He has again impugned the contribution by the Member for Kajiado West.

Hon. Mawathe raised an issue on lithium-ion batteries, electric motorcycles, and electric buses.

(Hon. Julius Mawathe stood up in his place)

Hon. Julius Mawathe (Embakasi South, WDM): What is the point of order, Hon. Temporary Speaker?

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, the Member cannot be on his feet when I am on a point of order.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Mawathe, take your seat. Do not worry about time.

Hon. Kimani Ichung'wah (Kikuyu, UDA): The Chairperson of the Committee indicated in his report that the Committee proposed to remove lithium batteries, electric buses, and motorcycles from that list because, with the current high fuel prices, we must ensure that Kenyans can easily access electric mobility. Therefore, the Member is misleading the country. That is the point Hon. Ngogoyo was raising. He is misleading the country.

(Hon. Onesmus Ngogoyo consulted loudly)

Hon. Temporary Speaker, protect me from Hon. Ngogoyo's shouting.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Members, as I told you, the Finance Bill is the most important piece of legislation that we can debate. Let us listen to one another. If Members raise points of order, I will freeze the time of the Member on the Floor. Hon. Mawathe, I asked you to show which clause you were referring to. I know that it is under the VAT.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Mawathe imputed improper motives on you, asking you to be fair.

(Hon. Onesmus Ngogoyo consulted loudly)

Hon. Temporary Speaker, protect me from the Member for Kajiado North, Hon. Ngogoyo. Shouting might be his profession, but as you have said, we cannot debate the Finance Bill by shouting. I did not rise when Hon. Ngogoyo was on his feet because he had nothing of substance to say. I am rising on a point of order because Hon. Mawathe is saying something substantive. The Member for Kajiado North was just playing to the gallery, saying nothing substantive that anyone could react to. I can never react to...

(Hon. Onesmus Ngogoyo consulted loudly)

The Temporary Speaker (Hon. Peter Kaluma): Order, Leader of the Majority Party. Hon. Tongoyo...

Hon. Members: He is Hon. Ngogoyo.

The Temporary Speaker (Hon. Peter Kaluma): Member for Kajiado North, Hon. Ngogoyo, allow the Speaker to preside over the House. Do not shout at a Member contributing across the aisle.

(Hon. Onesmus Ngogoyo spoke off the record)

You are now talking back to the Speaker. That is also against the Standing Orders. Do not do it again. Proceed, Hon. Mawathe.

Hon. Julius Mawathe (Embakasi South, WDM): Thank you, Hon. Temporary Speaker.

Hon. Ndindi Nyoro (Kiharu, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Peter Kaluma): What is out of order, Hon. Ndindi Nyoro?

Hon. Julius Mawathe (Embakasi South, WDM): Hon. Temporary Speaker, this is becoming a drama. There are too many points of order.

The Temporary Speaker (Hon. Peter Kaluma): What is out of order?

Hon. Ndindi Nyoro (Kiharu, UDA): Hon. Temporary Speaker, is it proper to continue limiting debate to the point of gagging Members? Before us are the Bill and the Report of the Committee. I request that we not limit Members' contributions. One may be quoting the Report and not the Bill. Let us open the debate and not bulldoze Members to indicate the clauses they are referring to. Let us open the debate. There are many more things than those in the Bill. Some items in the Report are not necessarily in the Bill. Let us make the debate robust. Let us express our views for the betterment of the welfare of Kenyans.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Ndindi Nyoro, I was waiting to hear what was out of order. In fact, there is nothing out of order. Hon. Mawathe, you need to conclude now.

Hon. Julius Mawathe (Embakasi South, WDM): Thank you, Hon. Temporary Speaker. We are not discussing the Report of the Committee; we are discussing the Finance Bill as it was tabled in the House. So, nobody has the right to bully, regardless of what position they hold in this House. Nobody has the right to bully or bulldoze their way.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Mawathe, are you still contributing to the Bill?

(Loud consultations)

Hon. Julius Mawathe (Embakasi South, WDM): Yes, I am. Nobody has the right to stand up all the time to interrupt and attempt to bully others because they hold a particular position. We are all elected Members of Parliament, equally elected from our constituencies. We were all equal when we walked through that door before swearing in. Just because you hold a midget position does not mean that you can bully and bulldoze everybody.

Hon. Temporary Speaker, this Committee and the Finance Bill aim to raise Ksh117 billion in one year. By raising Ksh117 billion in one year from 55 million Kenyans, that means every Kenyan will have to contribute more than Ksh2 million. This is very unfair to the poor and the children. This Finance Bill is very punitive. I oppose it. I recommend rejection of the Finance Bill. Reject the Finance Bill!

Finally, I want to ask the clerks-at-the-Table to be fair. When someone is on this side, our side of the aisle, you switch off the microphones very quickly! Be fair and neutral! You are allowing just one individual to run the show! Let us be fair and be guided by time. I want this to be recorded in *The Hansard* that you are being unfair.

The Temporary Speaker (Hon. Peter Kaluma): Order, Hon. Mawathe! Take your seat. The Chairperson of the Departmental Committee on Finance and National Planning is on a point of order.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Speaker, is it in order for the Member to mislead this House? To begin with, the figure is incorrect. This Finance Bill does not seek to raise Ksh117 billion; rather, it seeks Ksh98.5 billion. Even if we were to accept your figure of Ksh117 billion, and you say that this will now require every Kenyan to pay at least Ksh2 million, what kind of mathematics are you employing? It is a simple matter of division. The Member cannot misinform this House that Ksh117 billion, divided by 55 million people, equates to Ksh2 million. Unless he explains to us which mathematics that is...

The Temporary Speaker (Hon. Peter Kaluma): I heard Hon. Mawathe make that point, and the response from Hon. Ndindi Nyoro was to laugh. Hon. Ndindi Nyoro was to deal with it.

Hon. Murugara, proceed and make your contribution.

Hon. George Murugara (Tharaka, UDA): Thank you very much, Hon. Temporary Speaker. The debate is, to some extent, hilarious. It is purely because, as we discuss the Finance Bill 2026, we are also contending with the mathematics of large numbers. This is why, once in a while, we have to address or challenge figures that do not tally, such as what we have just heard about needing to pay Ksh2 million for the country to raise Ksh98 billion. I do not believe that is accurate.

We must also appreciate that part of this House's work involves looking at comparative jurisdictions to see what is happening there. We can learn from the positives and return to the country with insights. It is absolutely in order to draw analogies and comparisons so that, as we debate, we can also enlighten our people about exactly what is happening out there and the reasons behind our proposals and opposition.

As we debate this matter, it is also important to acknowledge that we have passed two very important Bills: The Appropriations Bill and the Division of Revenue Bill. Just the other day, as the Estimates were being presented to us, we were foot-thumping all over because some of the proposals being made were in tandem with what Kenyans want. The time has now come for us to debate, having passed the Budget, exactly what Kenyans are going to get from it and how we are going to fund it. There must be a way to fund a Budget. It cannot be abstract that we are not going to fund it. If we do not fund it, then we have no reason whatsoever to pass these Bills in the first place.

With regard to appropriations, we were informed of a very important component, and I will give an example of what we are funding. Part of the Ksh998 billion that we have to raise includes the Ksh3.9 billion allocated to local administrators in the villages, commonly known as village elders. The country is now awash with jubilation because this House has allocated funds for workers at the grassroots level. If we do not fund that, we will have to go back to them and explain why they will not receive their stipends and allowances. It will be because we, as the Budget-making House of Parliament, simply rejected the Finance Bill.

The Division of Revenue Bill concerns the funds that are allocated to county governments and the national Government. This House spent considerable time mediating and arbitrating, and came up with what was due to county governments. In the end, we agreed on Ksh428 billion, although I recall some of our colleagues arguing that even that amount was insufficient. The question then arises: how is that allocation to be funded? We must debate how we are going to raise the resources required to fund the various budget items that we have already passed.

It has been argued that we can debate the Bill without the Committee's Report. While one may choose to do so, debating the Bill without the Committee's Report would be an exercise in futility. You are trying to debate the mood because, if the Committee has proposed amendments and they carry favour with this House, then it renders one's debate nugatory. One would have debated a matter that is not of any substance. What we ought to do, therefore, is carefully consider both the Bill and the Report. The Report is particularly important. Although it has only just been tabled, we must take the time to look at it. As for me, I have read the Bill...

(Hon. Julius Mawathe spoke off the record)

The Temporary Speaker (Hon. Peter Kalamu): Hon. Mawathe, you are not recognised. Also remember the Standing Order provisions that to rise on a point of order when you have not been recognised is disorderly conduct.

(Hon. Julius Mawathe spoke off the record)

I have said you are not recognised.

Hon. George Murugara (Tharaka, UD): Thank you very much, Hon. Temporary Speaker. I have read the Bill, and I know what it provides. However, I have not yet read the Report, although I listened keenly to the Chairperson of the Departmental Committee on Finance as he went through the Report proposing amendments. Those amendments are vital because they seek to remove, delete, or amend some of the proposals contained in the Bill to come into consonance with the views expressed by Kenyans during public participation. This is important because Kenyans also had a say. They came before us, presented their views, and told us what they considered most appropriate.

It is therefore important to acknowledge that the proposed amendments are intended to accommodate the views of Kenyans who looked at the Bill. Some have argued that there are too many amendments. However, there is absolutely nothing wrong with that because this is precisely our work. Our responsibility is to make laws that comply with our Constitution and reflect what our people tell us when we take those laws out for public participation. Consequently, there is nothing wrong about proposing deletions, amendments, or any other alterations that we consider necessary.

Finally, it is also important to note that most developed countries—and that is where we draw our analogies—are welfare States. We keep saying every day that Kenyans would want to be like Singapore. Kenyans are waiting for us, Members of Parliament, to ask us questions such as: What exactly are you doing in Parliament now that we do not have electricity, good roads, water and everything else? Hon. Mbui began by stating that the three basic needs or rights are food, shelter, and clothing. That remains it. A functional Parliament must constantly look at the basic rights of its people.

So, as we debate this Bill, we must bear in mind that we have an ongoing housing plan. Our country must be moving towards development and housing, for shelter is paramount. Second, we must also acknowledge that we are providing water. There is no way this country can develop without access to water. This is exactly what the proposed Finance Bill funds. Finally, we must also address electricity and roads. Roads are important, and we must now move towards having tarmac roads not just in urban centres but also in rural constituencies. I have spoken to the people of Tharaka Constituency, telling them what this Bill entails. I confirm that when I took a vote from them, they told me: “Go and agree with the Bill because all the things that we are expecting from the Government must come to us and we must realise the development promise.”

With those remarks, I support the Bill. I will be listening to the proposed amendments to support them because they are important. Thank you very much.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Ndindi Nyoro.

Hon. Ndindi Nyoro (Kiharu, UDA): Thank you very much, Hon. Temporary Speaker. From the outset, just like many things from this Government, dangerous things are wrapped in semantics. I want to start by bemoaning the fact that the Finance Bill, as it is, was actually published in the Order Paper slightly before the session. Clearly, this was an ambush to Members of Parliament, but I hail all the pro-people Members of Parliament for turning up and defeating the treachery that had been planned.

(Applause)

Second, I had an opportunity to appear before the Committee. As Kenyans know, we are in a situation that is not ordinary, especially when it comes to fuel prices. I thank Parliament for the opportunity to appear before the Committee. Hon. Temporary Speaker, you were there. I gave proposals, the reasoning being that the situation the globe is facing is temporary. It would have been better for Kenya to address the temporal matter, if we could, rather than have sticky

situations affect our economy in the future. Now we have seen movements around peace in the Middle East. It is very disappointing that I gave proposals that would lower fuel prices—notably by lowering VAT and excise duty on fuel products for a period of six months—but the Committee has decided to give the proposals a wide berth. It is a very dark day on that sphere. I wish the Committee had listened to Kenyans, especially around this point in time.

Hon. Kuria Kimani (Molo, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Ndindi Nyoro, Hon. Kuria Kimani is on a point of order.

Hon. Ndindi Nyoro (Kiharu, UDA): Second, I want to give an issue around the Finance Bill itself.

The Temporary Speaker (Hon. Peter Kaluma): Order, Hon. Ndindi Nyoro.

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Speaker, on a point of procedure. The Member for Kiharu is a Member of this House.

Hon. Members: What is the point of procedure?

The Temporary Speaker (Hon. Peter Kaluma): Hon. Members, just a minute. I said before that we have passed the Budget. Inasmuch as we may have a contest with the Finance Bill as Members, let us think of how to raise funds to finance that Budget without saying you should either support or go against the Bill.

Hon. Kuria Kimani, what point are you making?

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Speaker, I rise under Standing Order 91 on responsibility for a statement of fact. In terms of the procedures of this House, it is important that even as we speak to the gallery, we speak the truth. Our Committee tabled its Report today. We have even seen the Leader of the Majority Party recommend that he will move amendments to this particular Bill. You, Hon. Temporary Speaker, as a Member of this Committee, have said there are clauses you feel you will be moving amendments to. The Member for Kiharu should not impute improper motives to the Committee. We are under no obligation to adopt your recommendations. If you think you are convincing enough, come to the House tomorrow, draft those amendments, and convince the House; it will agree with you. It is that simple.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Kuria Kimani, your point is made. Hon. Ndindi Nyoro, proceed.

Hon. Ndindi Nyoro (Kiharu, UDA): Hon. Temporary Speaker, that is the kind of filibustering that wastes our time in this House, rather than debating very important issues before us. The second point is that, as a country, we need to engage in introspection. We have had Finance Bills every single year. What are we told all the time? They are for tax administration and raising more revenue, but let us use data. The most heated Finance Bill was the 2024 one. The leaders of this House are on record saying that even if Kenyans rejected it, they still implemented it in one way or another. This is the point: what did the country achieve?

I have looked at the graph showing this country's revenue over the last 20 years. Nowhere do you see a bump in the name of revenue-raising measures contained in the Finance Bill. Revenue in this country has grown organically in much the same way throughout those years...

Hon. Kimani Ichung'wah (Kikuyu, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Peter Kaluma): Leader of the Majority Party, what is out of order?

Hon. Ndindi Nyoro (Kiharu, UDA): This is the point I am trying to make.

The Temporary Speaker (Hon. Peter Kaluma): Take your seat, Hon. Ndindi Nyoro. I will freeze your time.

Hon. Kimani Ichung’wah (Kikuyu, UDA): The Member for Kiharu alleges that in 2024, despite the Finance Bill having been rejected while it was passed in this House, leaders in this House went ahead and implemented it. There are about four leaders in this House now: Hon. Mbui, Hon. Mwenje, Hon. Millie, Hon. Naomi Waqo and I. Any decision of this House is not a decision of its leadership. We must be factual. The Finance Bill, 2024, was passed by this House in June. It was rejected by Kenyans, and the President declined to assent to it. Those are the facts. On the 4th and 5th December 2024, this House passed proposals that had been contained in the Finance Bill in four separate Bills: The Tax Procedures (Amendment) Bill, 2024; the Tax Laws (Amendment) Bill, 2024; Business Laws (Amendment) Bill of 2024; and Business Laws (Amendment) (No. 2) Bill of 2024. It is, therefore, wrong for Hon. Ndindi Nyoro to impute improper motives to the leadership of this House. I have named particular leaders, including myself, who are seated in this House.

Hon. Robert Mbui, Hon. Millie Odhiambo and Hon. Mwenje are on record as having opposed the Finance Bill, 2024. Hon. Kimani Ichung’wah, Hon. Naomi Waqo and Hon. Ndindi Nyoro are on record as having supported it. We must be honest and fair to Kenyans. I will not sit here as a leader and allow a Member to impute improper motives and mislead Kenyans for reasons of political expediency. Let us speak to the facts.

Hon. Ndindi Nyoro says we are filibustering here. We are not. If you invite the wrath of the leadership of the House or any Member by imputing improper motives on them, we will interrupt you. However, if you confine yourself to issues that are contained either in the Bill or in the Committee Report, nobody will interrupt you. We will not allow you to mislead the House and impute improper motives on us.

Thank you, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Nyoro, you may continue.

Hon. Ndindi Nyoro (Kiharu, UDA): Thank you very much, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Peter Kaluma): Take note of what the Leader of the Majority Party has said.

Hon. Ndindi Nyoro (Kiharu, UDA): Hon. Temporary Speaker, that is the tragedy of being self-absorbed. I say that because every Member in this House is a leader in their own right....

(Loud consultations)

(Hon. David Kiplagat stood in his place)

The Temporary Speaker (Hon. Peter Kaluma): Who is that standing next to Hon. Nyoro? That Member standing next to Hon. Nyoro should sit down. Hon. DK Kiplagat, take your seat!

(Loud consultations)

You have taken your seat at the right time. Let me not caution you to do the right thing again.

(Loud consultations)

(Hon. David Kiplagat spoke off the record)

Hon. Ndindi Nyoro (Kiharu, UDA): Hon. Temporary Speaker, that is the tragedy of being self-absorbed when you have a higher estimation of yourself than reality. Every person in this House is a leader. It does not matter the positions we occupy in this House. We are all here as leaders with an equal voice to represent Kenyans.

On to the point I was trying to make. We need an introspection. We need to check through the facts to see what these sequential Finance Bills we pass every year have yielded. Other than instability in policies in terms of investments, decision-making by business people and economic actors....

Another thing I would like to point out is that Kenyans are watching in horror and dismay. We have seen different pronouncements from the same Government addressing the same issue. We have seen the Head of State talk about exempting PAYE for Kenyans earning below Ksh30,000, yet that has not been implemented here. We need to bring an end to these kinds of roadside declarations. More importantly, Kenyans earning below Ksh30,000 deserve a reprieve, especially in a situation where their pockets are raided from every direction: from the cost of living to taxes and levies. Kenyans watching us expected that Kenyans earning below Ksh30,000 would be exempted from PAYE in this Bill.

The other thing...

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

The Temporary Speaker (Hon. Peter Kaluma): Hon. Ndindi Nyoro, take your seat. Hon. Kiplagat is on a point of order.

Hon. David Kiplagat (Soy, UDA): Thank you, Hon. Temporary Speaker. I was wondering whether I am transparent because I have been standing on a point of order for a very long time, but all the same...

(Loud consultations)

Stop the noise. I am on a point of order, whether you like it or not. Can you allow me to prosecute?

(Loud consultations)

On a point of order, Hon. Temporary Speaker.

(Loud consultations)

Haya. Make noise. When you finish, I can contribute.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Kiplagat, please address the Hon. Temporary Speaker.

Hon. David Kiplagat (Soy, UDA): I am trying to make a statement, but they are making noise.

The Temporary Speaker (Hon. Peter Kaluma): You are on a point of order. You are not making a Statement. What is out of order?

(Loud consultations)

Hon. David Kiplagat (Soy, UDA): The point of order is that Hon. Ndindi Nyoro, who is well-versed in current affairs, knows very well what was happening between America and Iran. There is already a deal which will be signed on Friday. That has allowed the oil...

(Loud consultations)

The Temporary Speaker (Hon. Peter Kaluma): Hon. Kiplagat, take your seat. You are certainly on a point of argument. You will get your time to make your argument. Hon. Ndindi Nyoro, continue.

Hon. Ndindi Nyoro (Kiharu, UDA): Hon. Temporary Speaker, the other issue is the insinuations we have been hearing here about *mitumba*. Yes, we need to grow our own

industries in Kenya, but it is always good to give a transition period. I am saying this because I have listened to some Members here make insinuations that are not correct, namely, that there is no tax on *mitumba*. The Committee itself, purporting to have heard public participants who are themselves manufactured by the Committee, is proposing in its Report a 15 per cent tax...

(Loud consultations)

The Temporary Speaker (Hon. Peter Kaluma): Hon. Ndindi Nyoro, take your seat.

Hon. Kuria Kimani (Molo, UDA): On a point of order, Hon. Temporary Speaker, the Hon. Member for Kiharu must withdraw the statement that he has made. He is saying that the public participants who came before the Departmental Committee on Finance and National Planning were manufactured people. We have tabled submissions from over 100,000 people across the country. I have no capacity to manufacture 100,000 people. The Hon. Member must either substantiate or withdraw that particular statement. Second, he must show us the clause in the Bill that he is referring to.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Ndindi Nyoro, that you must do.

Hon. Ndindi Nyoro (Kiharu, UDA): I have never seen a situation where, during public participation, a person volunteers information to be taxed more, or to be taken through *(inaudible)*. This is the first time that we are seeing purported participants...

(Loud consultations)

The Temporary Speaker (Hon. Peter Kaluma): Order! Order, please. We must be orderly if we are going to debate. Hon. Ndindi Nyoro, you cannot stand in your place and say that you yourself attended, and then, at the same time, say that the Committee manufactured participants. That one, I insist, and I order you to withdraw.

Hon. Ndindi Nyoro (Kiharu, UDA): I attended as a participant. I requested through Parliament. The more reasons they never carried my proposals, the more legitimate proposals were not carried. I am withdrawing.

(Loud consultations)

The Temporary Speaker (Hon. Peter Kaluma): Hon. Ndindi Nyoro, I am on my feet. When the Speaker orders you to withdraw, and you see the Speaker asking for the Standing Orders... Please, do not take the Speaker in the direction he does not want to go. Please, withdraw. It is an order, and it is not subject to review.

Hon. Ndindi Nyoro (Kiharu, UDA): Hon. Temporary Speaker, as I will be proposing amendments and I do not want you to throw me out to the disadvantage of Kenyans, I withdraw.

The Temporary Speaker (Hon. Peter Kaluma): Order! Yes, the withdrawal is accepted. Let us avoid provoking unnecessary emotions in debate. I sat here and said that all Members need to have their time on the Finance Bill. Let us agree to continue in that manner.

Hon. Ndindi Nyoro (Kiharu, UDA): The point I am making is this: I have sat here in this House, and I have seen people purporting to direct Members on how to debate. I am here telling Kenyans that this Parliament, through the Committee, is proposing an increase in the prices of *mitumba*. They will purport here, "Oh, show me the clause; show me this. We are intelligent, and Kenyans are intelligent. Even if you hide before and above..."

Hon. Kuria Kimani (Molo, UDA): On a point of order, Hon. Temporary Speaker.

The Temporary Speaker (Hon. Peter Kaluma): Give the microphone to the Chairperson of the Departmental Committee on Finance and National Planning. He is on a

point of order. Maybe for clarity, are *mitumba* taxed now? If so, what is proposed now? Could you just clarify that?

Hon. Kuria Kimani (Molo, UDA): Hon. Temporary Speaker, I really want to urge my colleague, Hon. Ndindi Nyoro, to take his time to read the Bill- that is, just a simple reading of the text. Currently, *mitumba* in this country are taxed at a standard rate of 16 per cent. That is a fact. As we speak, the Value Added Tax Act imposes 16 per cent VAT on *mitumba*. Once importers of *mitumba* sell those *mitumba*, they are also subject to 30 per cent corporation tax on their profits. The Bill actually proposes exempting *mitumba* from VAT. The proposal here, and that is why we challenge you on facts, is that you should simply read the Bill. Tell us where we are increasing taxation on *mitumba*. The Bill is actually proposing to exempt *mitumba* from VAT, and that is a fact.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Ndindi Nyoro, where are the new taxes proposed on *mitumba*?

Hon. Ndindi Nyoro (Kiharu, UDA): Hon. Temporary Speaker, it is disappointing that the Chairman has not read his own Report. I kept saying here that we are not just debating the Bill; we are also debating the Committee Report. Nobody here will purport to guide me on how to debate. Kenyans will gauge who is telling the truth in the next few weeks.

The Temporary Speaker (Hon. Peter Kaluma): Hon. Ndindi Nyoro...

(Loud consultations)

Order, Hon. Members! Hon. Ndindi Nyoro, in which clause are *mitumba* taxes being increased?

Hon. Ndindi Nyoro (Kiharu, UDA): Hon. Temporary Speaker, I am repeating, for the umpteenth time, that I am under no obligation to tell anyone anything other than to debate.

(Loud consultations)

The Temporary Speaker (Hon. Peter Kaluma): The Leader of the Majority Party.

Hon. Ndindi Nyoro (Kiharu, UDA): And Hon. Temporary Speaker, we are debating the Bill and the Report. We cannot hide above and below semantics.

(Loud consultations)

The Temporary Speaker (Hon. Peter Kaluma): Order! Order, Hon. Members!

(Loud consultations)

I have given the Leader of the Majority Party the mic. So, you will rise after the Leader of the Majority Party.

(Loud consultations)

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, you know, my brother, Hon. Ndindi Nyoro, says he is under no obligation to be directed. In fact, nobody seeks to direct him. The point of order the Chairman spoke on...

(Loud consultations)

(Several Members stood up in their places)

The Temporary Speaker (Hon. Peter Kaluma): Take your seats.

*(Hon. Kaguchia John and several
Members stood up in their places)*

Hon. Kaguchia, when the Speaker is on his feet, you take your seat. Leader of the Majority Party, proceed.

Hon. Kimani Ichung'wah (Kikuyu, UDA): Hon. Temporary Speaker, I was saying the guidance you sought from Hon. Ndindi Nyoro was on the Clause that is taxing mitumba in the Bill or the proposal in the Report of the Committee that is proposing that. The Hon. Chairman has clarified that. All that Hon. Ndindi Nyoro is doing now is to throw words at the Hon. Chairman and the Hon. Temporary Speaker because he cannot substantiate. I know people want to shout and mislead Kenyans on record, but we also have an obligation to set the record straight.

Just like Hon. Ndindi Nyoro purported that there are roadside declarations on Pay-As-You-Earn (PAYE), but there is nowhere in our Reports or in the Bill that PAYE was touched. When the Cabinet Secretary appeared before this House last week, he clarified that the proposal on PAYE is coming in a different proposal before the House to be considered by the House.

(Loud consultations)

Therefore, all this heckling... You know I am the last person to be dissuaded by hecklers. I know they have been instructed to come and heckle, but they must use their brains and intellect to debate. They should not come and shout aimlessly in the House. Use your brains and intellect to debate, not to shout. When you shout, you are simply exposing yourself to Kenyans, just like the leaders who are misleading people out there.

(Loud consultations)

You are not utilising your heads.

(Loud consultations)

The Temporary Speaker (Hon. Peter Kaluma): Order, Hon. Members! Be upstanding.

*(Hon. Wanami Wamboka and
several Members consulted loudly)*

Hon. Wamboka!

ADJOURNMENT

The Temporary Speaker (Hon. Peter Kaluma): Members, the time being 7.05 p.m., this House...

(Loud consultations)

Order!

*(Hon. Patrick Osero, Hon. Majimbo Kalasinga,
and several Members consulted loudly)*

Hon. Kibagendi and Hon. Majimbo Kalasinga, we are adjourning the House, please.

Hon. Members, the time being 7.05 p.m., this House stands adjourned until Wednesday, 17th June 2026 at 9.30 a.m.

(The House rose at 7.05 p.m.)

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