



A Bill for an Act

ENTITLED

THE TAX PROCEDURES CODE (AMENDMENT) ACT, 2020

An Act to amend the Tax Procedures Code Act, 2014, Act. 14 of 2014 to provide for the deferment of the payment of income tax for companies and other persons involved in the business of manufacturing, tourism and floricultural sectors, whose turnover is less than five hundred million shillings; to defer payment of tax on employment income and to waive interest on tax arrears.

BE IT ENACTED by Parliament as follows:

1. Commencement

This Act shall come into force on 1st July, 2020.

2. Amendment of Tax Procedures Code Act, 2014, Act 14 of 2014

The Tax Procedures Code Act, 2014 is amended by inserting immediately after section 40A the following the following new sections—

“40B Deferment of payment of tax until 30th September 2020

(1) A person registered as a tax payer under section 4(1) of the Act and who was liable to pay tax on or after 1st April, 2020 and before 30th June, 2020 shall have his or her liability to pay the tax deferred until 30th September, 2020.

(2) The deferral referred to under subsection (1) shall apply only to a person who—

- (a) is a registered tax payer involved in the business of tourism, manufacturing, horticulture or floriculture, with a turnover of less than five hundred million shillings per annum; or
- (b) is liable to a tax chargeable on employment income.

(3) No interest or penalty shall accumulate on the outstanding amount of tax during the period referred to in subsection (1).

40C. Waiver of interest on tax arrears.

Any interest on tax arrears that are unpaid by 30th June, 2020 by a taxpayer who voluntarily complies with their tax obligations shall be waived.”

BILLS SUPPLEMENT

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Bill No. 9 *Tax Procedures Code (Amendment) Bill* **2020**

THE TAX PROCEDURES CODE (AMENDMENT) BILL, 2020

MEMORANDUM

The object of this Bill is to amend the Tax Procedures Code Act, 2014, Act, 14 of 2014 to defer payment of income tax for companies and other persons involved in the business of manufacturing, tourism and floricultural sectors, whose turnover is less than five hundred million shillings; to defer payment of tax on employment income and to waive interest on tax arrears.

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