

THE FINANCE (No. 2) ACT, 1980**No. 12 of 1980***Date of Assent: 3rd December, 1980**Date of Commencement: Section 3—1st January, 1980**Sections 2, 4 and 6—7th November, 1980**Rest—11th December, 1980***An Act of Parliament to amend laws relating to various duties and taxes, to export prohibition and to banking**

ENACTED by the Parliament of Kenya as follows:—

1. This Act may be cited as the Finance (No. 2) Act, 1980, and shall come into force, or be deemed to have come into force, as follows—

Short title and commencement.

(a) section 3 on the 1st January, 1980;

(b) sections 2, 4 and 6 on the 7th November, 1980;

(c) this section and section 5 on the date of publication of this Act in the Gazette.

2. The Customs and Excise Act, 1978, is amended—

Amendments to No. 10 of 1978.

(a) in the First Schedule thereto, by making the various amendments set out in Parts I and II of the Schedule to this Act in the ways specified therein; and the new rates of duty thereby imposed shall, except where an item is free of duty, be further increased by adding an additional ten per centum on to the stated percentage rate;

(b) in the Eighth Schedule thereof, by deleting from Part C (prohibited exports) the following item—

5. Hides and skins, including leather, where unprocessed, dressed or semi-dressed.

3. The Income Tax Act is amended—

Amendments to Cap. 470.

(a) in section 2, by inserting in the appropriate alphabetical sequence the following definitions—

“contract of service” means an agreement, whether oral or in writing, whether expressed or implied, to employ or to serve as an employee for any period of time, and includes a contract of apprenticeship or indentured learnership, under which the employer has the power of selection and

dismissal of the employee, pays his wages or salary and exercises general or specific control over the work done by him; and for the purpose of this definition an officer in the public service shall be deemed to be employed under a contract of service;

“wife’s employment income” means gains or profits from employment arising from a contract of service of a married woman living with her husband which is chargeable to tax under subsection (2) (a) (ii) of section 3, excepting income derived by her as an employee of—

(a) a partnership in which her husband is a partner;

(b) her husband;

(c) a company the voting power of which is held to the extent of $12\frac{1}{2}$ per cent or more at any time during a year of income by her or by her husband or by both jointly, either directly or through nominees;

(d) a trustee or manager of a settlement created by her husband the income of which is deemed under section 25 or 26 to be the income of the settlor;

“wife’s employment income rate” means the wife’s employment income rates as specified in paragraph 1A of Head B of the Third Schedule;

(b) in section 34—

(i) by deleting paragraph (a) of subsection (1) and inserting the following new paragraphs—

(a) tax upon the total income of an individual, other than such part of the total income comprising wife’s employment income, shall be charged for any year of income at the individual rates for such year of income;

(b) tax upon that part of total income which consists of wife’s employment income shall be charged for any year of income at the wife’s employment income rates for such year of income;

(ii) by renumbering paragraph (b) as (c);

(c) in the Third Schedule, by adding a new paragraph after paragraph 1 as follows—

1A. The wife's employment income rates of tax shall be—

	<i>Rate in each Twenty Shillings</i>
on the first £1,200	2.00
on the next £1,200	3.00
on the next £1,200	5.00
on the next £1,200	7.00
on the next £1,200	9.00
on the next £1,200	10.00
on the next £2,400	12.00
on all wife's employment income over £9,600	13.00

4. The Hotel Accommodation Tax Act is amended—

Amendments to
Cap. 478.

(a) in section 3 (3), by inserting after "not later than" the words "twenty-one days after";

(b) in section 5 (1), by deleting "fourteen days" and substituting "thirty days".

5. The Banking Act is amended in section 10 (1)—

Amendments to
Cap. 488.

(a) by deleting paragraph (c) and substituting the following—

(c) grant or permit to be outstanding any unsecured advances in respect of any of its officers or employees, or members of their families, or any company of which the officer or employee or member of their families is a shareholder, director or employee;

(b) by deleting paragraph (d).

6. The Finance Act, 1980 is amended in section 1 (3) by deleting "October" in the last line and substituting "November".

Amendment to
No. 10 of 1980.

SCHEDULE

PART I

General amendments to the First Schedule to the Customs and Excise Act including adjustments of rates of duty

Tariff Heading	Tariff No.	Amendments to Text	Import Duty	Statistical Code	Unit of Quantity
38.11		Delete all references to tariff No. 38.11.020 and substitute the following—			
	38.11.021	Mosquito coils	75%	591 1 01	Kg.
	38.11.022	Other insecticides	Free	591 1 02	Kg.
48.16		Delete all references to tariff No. 48.16.006 and substitute the following—			
	48.16.006	Box files	100%	642 1 06	Kg.
	48.16.007	Letter trays, storage boxes and similar articles, of paper or paperboard, of a kind commonly used in offices, shops and the like	40%	642 1 07	Kg.
48.18		Delete and substitute the following—			
		Registers, exercise books, note books, receipt books, diaries, blotting pads, binders (loose leaf or other), file covers and other stationery of paper or paperboard; sample and other albums and book covers, of paper and paperboard.			
	48.18.001	File covers	100%	642 3 01	Kg.
	48.18.009	Other	40%	642 3 09	Kg.
58.05		Delete and substitute the following—			
		Narrow woven fabrics and narrow fabrics (bolduc) consisting of warp without weft assembled by means of an adhesive, other than goods falling within heading No. 58.06.			
	58.05.001	Narrow woven cotton or nylon fabrics not exceeding 1.25 cm width for the manufacture of typewriter ribbons	30%	656 0 11	Kg.
	58.05.009	Other	100%	656 0 19	Kg.
85.15		Delete all references to tariff Nos. 85.15.021, 85.15.022 and 85.15.023 and substitute the following—			
	85.15.021	Assembled colour television receivers, including receivers incorporating sound recorders or reproducers	100%	761 1 01	Number
	85.15.022	Partly assembled colour television receivers including receivers incorporating sound recorders or reproducers	80%	761 1 02	Number
	85.15.023	Unassembled colour television receivers including receivers incorporating sound recorders or reproducers	30%	761 1 03	Number
	85.15.024	Colour television receivers including receivers incorporating sound recorders or reproducers for the observation and control of industrial operations	10%	761 1 04	Number

SCHEDULE—(Contd.)

Tariff Heading	Tariff No.	Amendments to Text	Import Duty	Statistical Code	Unit of Quantity
		Delete all references to tariff Nos. 85.15.051 and 85.15.052 and substitute the following—			
	85.15.051	Assembled portable radio-broadcast receivers including receivers incorporating sound recorders or reproducers	100%	762 2 01	Number
	85.15.052	Partly assembled portable radio-broadcast receivers including receivers incorporating sound recorders or reproducers	80%	762 2 02	Number
	85.15.053	Unassembled portable radio-broadcast receivers including receivers incorporating sound recorders or reproducers	30%	762 2 03	Number
92.11		Delete all references to tariff Nos. 92.11.031 and 92.11.032 and substitute the following—			
	92.11.031	Television image and sound recorders and reproducers, magnetic, assembled ..	100%	763 8 11	Number
	92.11.032	Television image and sound recorders and reproducers, magnetic, partly assembled	60%	763 8 12	Number
	92.11.033	Television image and sound recorders and reproducers, magnetic, unassembled	30%	763 8 13	Number
98.01		Delete and substitute the following—			
		Buttons and button moulds, studs, cuff-links and press fasteners, including snap fasteners and press studs; blanks and parts of such articles.			
	98.01.001	Blanks	30%	899 8 31	Thousand
	98.01.009	Other	75%	899 8 39	Thousand
98.02		Delete and substitute the following—			
		Slide fasteners and parts thereof.			
	98.02.001	Slide fasteners	75%	899 8 41	Hundred
	98.02.009	Parts	30%	899 8 49	Hundred
98.03		Delete all references to tariff No. 98.03.009 and substitute the following—			
	98.03.002	Tungsten carbide pressure points	30%	895 2 12	Kg.
	98.03.009	Other parts and fittings	100%	895 2 19	Kg.

PART II

Adjustment of rates of duty only

<i>Tariff Number</i>	<i>Tariff Description</i>	<i>Rate of Duty to be Deleted</i>	<i>New Rate of Duty</i>
44.21.000	Complete wooden packing cases, boxes and similar packings	20%	30%
49.07.002	Cheques and cheque books	30%	60%
85.13.010	Apparatus (electrical line telephonic and telegraphic)	30%	50%
85.15.031	Assembled or partly assembled monochrome TV receivers including receivers incorporating sound recorders or reproducers	Each Sh. 50 or 60%	100%
85.23.001	(Insulated electric wire, etc.) having conductors of plain high conductivity copper or aluminium wires, insulated or sheathed, etc.	30%	40%
85.23.009	Other (articles of heading No. 85.23)	10%	30%
92.11.021	Other electric gramophone and record players, assembled or partly assembled	50%	100%
92.12.010	Prepared media for sound or similar recording ..	50%	100%