

# THE FINANCE ACT, 1965

No. 22 of 1965

*Date of Assent: 17th August 1965*

*Date of Commencement: The whole Act, except sections 5, 6 and 7— 24th August 1965*

*Sections 5 and 6—1st January 1964*

*Section 7—1st July 1965*

**An Act of Parliament to make certain amendments to the Customs Tariff Act, the Excise Tariff Act, and the Income Tax (Rates and Allowances) Act, and for purposes incidental thereto or connected therewith**

ENACTED by the Parliament of Kenya, as follows:—

## PART I—PRELIMINARY

1. (1) This Act may be cited as the Finance Act, 1965.

(2) Section 5 and section 6 of this Act shall be deemed to have come into operation on the 1st January 1964 and shall apply in respect of assessments for the year of income 1964 and for each subsequent year of income, and section 7 of this Act shall be deemed to have come into operation on the 1st July 1965.

Short title and commencement

## PART II—CUSTOMS TARIFF

2. The First Schedule to the Customs Tariff Act is amended, in relation to the items specified in the first column of the Schedule to this Act, in the manner respectively specified in the appropriate columns of the Schedule to this Act.

Amendment of First Schedule to Cap. 472.

3. The First Schedule to the Customs Tariff Act is amended by inserting in their proper numerical order the following new items and entries—

Additions to First Schedule to Cap. 472.

Item No.	Article	Import Duty	Suspended Duty
51B	Aluminium hollow-ware n.e.s.	<i>Ad valorem</i> 33½%	
143A	(a) Radio receiving sets complete including motor vehicle radios and n.e.s. . . . .	<i>Ad valorem</i> 30%	<i>Ad valorem</i> 7½% (or each, sh. 50 where this amount exceeds the combined import duty and <i>ad valorem</i> suspended duty imposed).
	(b) Radio receiver parts and accessories, excluding batteries and n.e.s. . . . .	<i>Ad valorem</i> 30%	<i>Ad valorem</i> 7½%.

## PART III—EXCISE TARIFF

Amendment of  
First Schedule  
to Cap. 474.

4. The First Schedule to the Excise Tariff Act is amended, in relation to item 1 thereof relating to "Beer", by substituting for the sum of "sh. 288/00" appearing in the Rate of Duty Column the sum of "sh. 306/00".

## PART IV—INCOME TAX

Amendment of  
First Schedule  
to Cap. 471.

5. The First Schedule to the Income Tax (Rates and Allowances) Act is amended by substituting for paragraphs 1 and 2 thereof the following new paragraphs—

1. *Married Allowance:*

The amount of the married allowance shall be £600.

2. *Single Allowance:*

The amount of the single allowance shall be £216:

Provided that, where an individual is entitled to the single allowance and—

(a) is also entitled to the child allowance the amount of the single allowance shall be £432; or

(b) in the case of a man, is of the age of 65 years or upwards, or in the case of a woman, is of the age of 60 years or upwards, on the 31st December in the year of income, the amount of the single allowance shall be £450.

Amendment of  
Second Schedule  
to Cap. 471.

6. The Second Schedule to the Income Tax (Rates and Allowances) Act is amended by substituting for Head CC thereof the following new Head—

HEAD CC—CORPORATION TAX RATE

(Section 60A of the Act)

Four shillings in respect of each pound of chargeable income which is charged to corporation tax, save in the case of that part of the chargeable income of an insurance company which relates to its life insurance business, when the rate shall be three shillings in respect of each pound of that part of the chargeable income:

10 of 1958.

Provided that, if at any time the East African Income Tax (Management) Act, 1958, of the High Commission, is amended so as to provide for corporation tax to be charged on the chargeable income of a controlled company, then on

such amendment being enacted and coming into force the rate of corporation tax on such chargeable income shall be fifty cents in respect of each pound thereof.

7. The Third Schedule to the Income Tax (Rates and Allowances) Act is amended—

Amendment of  
Third Schedule  
to Cap. 471.

- (a) by substituting for the words "five shillings and fifty cents" which appear in paragraph 1 (c) thereof the words "seven shillings and fifty cents"; and
- (b) by substituting for the words "two shillings" which appear in paragraph 2 thereof the words "two shillings and fifty cents".

## SCHEDULE

Item No.	Article	Import Duty	Suspended Duty
15A (a)	Substitute the following new sub-item and entry:— (a) "Jams, marmalades, fruit jellies, syrup, treacle, honey and similar preparations .. .. ."	<i>Ad valorem 37½%".</i>	
15A (c)	Substitute the following new sub-item and entry:— (c) "Fruits, vegetables including edible fungi and vegetable preparations, tinned, bottled, dried, crystallized and otherwise preserved .. .. ."	<i>Ad valorem 37½%".</i>	
15A	Insert in their proper sequence the following new sub-items and entries:— " (e) Spices and herbs .. .. ." " (f) Nuts and nut preparations, n.e.s. .. .. ."	<i>Ad valorem 37½%".</i>	
26		<i>Ad valorem 37½%".</i> Substitute the following new entry:— "Per imperial gallon, sh. 18".	
39 (c)		Substitute the following new entry:— "Per pair, sh. 1 (or 40% <i>ad valorem</i> , whichever is the greater)".	
40 (a) (v)		Substitute the following new entry:— "Ad valorem 40%".	
40 (c)	Substitute the following new sub-item and entry:— (c) "Knitted, n.e.s."	Per lb. sh. 3/30 (or 36½% <i>ad valorem</i> , whichever is the greater)".	
45 (b) (i)		Substitute the following new entry:— "Ad valorem 30%".	
45 (c)		Substitute the following new entry:— "Ad valorem 30%".	

## SCHEDULE—(Contd.)

Item No.	Article	Import Duty	Suspended Duty
45 (d) (i) and (ii).		Substitute in each case the following new entry:— "Ad valorem 30%."	
48 (g)	Delete the words "Baby carriages."		
56 (a)	Substitute the following new sub-item and entries:— "(a) For agricultural, dairying or water-boring purposes: (i) Plate mills and hammer mills for grinding (ii) Other .. .. .	Ad valorem 15%. Free."	
58 (n)	Substitute the following new sub-item and entries:— "(n) Steel strips, bars, rods and angles, excluding steel sections imported for the manufacture of windows and doors:— (i) Round bars and rods for concrete reinforcing, $\frac{1}{2}$ inch to $1\frac{1}{2}$ inches in diameter, including deformed bars .. .. . (ii) Bars of square cross section of thickness $\frac{1}{4}$ inch to $1\frac{1}{2}$ inches .. .. . (iii) Angles of a side width from 1 inch by 1 inch to $2\frac{1}{4}$ inches by $2\frac{1}{4}$ inches .. .. . (iv) Flats or strips of width $\frac{1}{2}$ inch to 5 inches and of thickness $\frac{1}{8}$ inch to $\frac{1}{2}$ inch, including flats for springs .. .. .	Ad valorem 25%. Ad valorem 25%. Ad valorem 25%.	
58A (1) (b)		Ad valorem 25%." Substitute the following new entry:— "Ad valorem 33 $\frac{1}{3}$ %."	
58A (1) (c)		Substitute the following new entry:— "Ad valorem 33 $\frac{1}{3}$ %."	
58A (1) (d)		Substitute the following new entry:— "Ad valorem 33 $\frac{1}{3}$ %."	
58A (1) (e)	Substitute the following new sub-items and entries:— "(e) Foil .. .. . (f) Other .. .. .	Free. Free."	Ad valorem 33 $\frac{1}{3}$ %.
61 (b)		Substitute the following new entry:— "Ad valorem 30%."	
61 (c) (i)		Substitute the following new entry:— "Ad valorem 30%."	
61 (c) (ii)		Substitute the following new entry:— "Ad valorem 35%."	
61 (d)		Substitute the following new entry:— "Ad valorem 25%."	
61 (e)		Substitute the following new entry:— "Ad valorem 30%."	
64	Substitute for the words "tanks and buildings, n.e.s." the words "and tanks, n.e.s."		

## SCHEDULE—(Contd.)

Item No.	Article	Import Duty	Suspended Duty
77	Add the following new sub-item and entry:— “(d) Pipes, piping and tubes . .		<i>Ad valorem</i> 30%”.
81	Delete sub-item (c) and entry.		
94	Substitute for the words “, pitch fibre or asbestos cement” the words “or pitch fibre”.		
108 (k)	Substitute the following new sub-item and entry:— “(k) Other, n.e.s. admitted as such by the Commissioner but not including chemicals, substances or preparations used in the manufacture of beverages, perfumery, cosmetics or toilet preparations . . . .	Free.”	
118 (c)		Substitute the following new entry:— “Per sq. ft. cents 90 (or 30% <i>ad valorem</i> , whichever is the greater).”	
123 (a)		Substitute the following new entry:— “Per box sh. 2 (or 15% <i>ad valorem</i> , whichever is the greater).”	
127		Substitute the following new entry:— “ <i>Ad valorem</i> 30%”.	
136 (c)	Add immediately after the word “other” the letters “n.e.s.”.		
149	Substitute for the words “British Consulate” which appear in the proviso the words “Kenya Consulate”.		
159	Substitute the following new item and entry:— “159 Foodstuffs grown in Malawi and handicraft articles such as mats, utensils, etc., made in Malawi without the use of machinery and imported only for direct trading in village markets . . . .	Free.”	
160 (b)	Delete the word “British”.		
161 (c)	Substitute for the words “Kenya, Uganda, Tanganyika, Zanzibar, Nyasaland and Northern Rhodesia” the words “Tanzania, Uganda and Kenya”.		
165 (d)	Substitute the following new sub-item and entry:— “(d) Wrapping paper, unprinted	Free.”	
165 (f)	Add immediately after the words “metal foil” the letters “n.e.s.”.		
165 (g)		Substitute the following new entry:— “ <i>Ad valorem</i> 30%”.	
167	Substitute the following new item and entries:— “167 School stationery, instruments, appliances and similar requisites		

## SCHEDULE—(Contd.)

Item No.	Article	Import Duty	Suspended Duty
173 (b)	<p>including furniture used in the classroom, workshop or laboratory—</p> <p>(a) Blackboards, blackboard cleaners and blackboard instruments; crayons, lead pencils, eraser rubbers; rulers (not exceeding 12 inches), compasses, set squares, dividers and similar articles comprising mathematical and science instrument sets; penholders, steel nibs, ink wells not including ink wells in desk sets, writing ink powder . .</p> <p>(b) Exercise books and blackboard chalk:—</p> <p>(i) Of a kind specified by the Minister by notice in the Gazette</p> <p>(ii) Other . . . .</p> <p>(c) Other, imported or purchased prior to clearance through the Customs, by or on behalf of educational institutions approved for the purpose of such importation by the Chief Education Officer . . . .</p> <p><i>Substitute for the words "hand painted" the words "hand printed".</i></p>	<p>Free.</p> <p><i>Ad valorem 30%.</i></p> <p>Free.</p> <p>Free."</p>	