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" WHAT IS INCOME? " : A DEFINITIVE STUDY
INTO THE INCOME TAX LAW OF KENYA.

THIS THESIS WAS SUBMITTED FOR
THE DEGREE OF MASTER OF LAWS (LL.M.)
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A THESIS SUBMITTED IN (PART) FULFILLMENT FOR
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P R E F A C E

This work is a topic-study in the law of the income tax of Kenya. The basic law is contained in the Income Tax Act, Cap.470 (Laws of Kenya). This work has been limited to this statute as amended up to 1977*. Developments in law after June of this year have not been incorporated.

This paper falls in four parts. Part I deals with preliminary matters that form a necessary prelude to the main work. This part has two Chapters. Chapter 1 is the introduction to the whole work - giving the scope and extent of the topic under inquiry. Chapter 2 deals with two fundamental concepts on which the Kenya income concept is founded - namely - the foreign nature of the concept and the income-capital distinction on which it is pivoted.

Part II is the main body of the paper, comprising of four chapters dealing with income from business, employment, property and alimony in that order. The social and political issues involved have along therewith been exposed and considered. Capital gains, which are now taxed as income under the Act, have not been discussed in this work. The reason is that they were brought under the Act long after this work had been commenced.

In Part III the writer has dealt with what he has called "controversial receipts" - namely income from illegal or immoral sources, those from gambling and lastly, the gifts and tips. The dimensional debate surrounding these three prompted their mention in this paper.

The last major division of the paper is Part IV in which a summary and conclusion of the main arguments raised in the paper have been re-cast.

I accept full responsibility for all technical and textual mistakes in this work.