

KENYA

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INCOME TAX AMENDMENT ORDINANCE
NO. XV OF 1921

Enclose copies with usual legal report.

GOVERNMENT
PRINTING

1921

DATE FEBRUARY

Government Paper

*Spent does as to be!**Full name* W. J. Smith (Youself)
Full name

1) The rate that this Ordinance addresses and the amount of the rate of 20% of 1920 is to be carried out in the Municipal District of Nairobi. The instructions in that Ord. are to be carried out and will be carried out in the manner as a solution in the Municipal District.

2) See para 2 of the Ord. of 1917 as amended. This Amendment Ord. of 1920 is to be carried out in the manner as a solution being modified by a further circular.

3) It is made is clear that a Company registered in the Colony is a "Resident in the Colony".

Government Paper

G.P. 2206

(2) 1/8. This is the important section dealing with dual income tax. On the existing instrⁿ, it is, allowed, all night. The new introduction is a further restriction to the married couple in the income. But (3) should see that the appropriate rate of tax from the has been defined, as described in the circular. (4) See minute page 2 above.

(1) 4. 7. 9. - The common arrangement I think we need not re-purchase and the wishes of Oxford, or regard to policy (p. 28. of the original Bill) of the law.

(2) Franklin: of Schedule - Income tax. After, allowed we can get any part of the present law. The College imposed what restrictions it will - at least until we see how it will work without reference is derived from the Bill.

(3) The Bill has been presented to the House before this session, we may as well get it of inland Revenue, being by consulting and consulting the Bill. We are employing to them in the Bill for

(4) If further amendments are made, then we should see that on 1/1/74 and 1/2/74 - at the same time -

(5) Before we can see, we can compare our

concern to p 3 - before seeing this on to Mr. Winstanley. I shall be glad to see the new version of circular of 1/11/74, of which you warned me. Yours,

ALL
14. 11. 74 156

Mr. Parkinson

The Inland Revenue has not yet replied in regard to the proposed Annual clause defining the rate of tax. Mr. Bache sent to Mr. Winstanley (with Rev) on 26 Feb. copy of the proposed clause - copy herewith. When a form of clause has been finally agreed to it will be sent to the Colonel. I am sending the Govt. papers to Mr. Bache with a suggestion that Mr. Winstanley might be reminded.

1/12/74

- (1) Mr. Fox
- (2) Mr. Winstanley

Then we might begin by sending to Mr. W. R. Mr. Fox. I shall be glad to see a copy of the further Bill. I shall be glad to see the Bill - explaining that p. 3 of the Bill is a further paper and the new introduction to the Bill of the Bill. Mr. W. is concerned, in the form of words suggested by Mr. W. in the Bill but that in view of the Bill is a copy of the Bill, it may require amendment - with the early reply - ALL 14. 11. 74

to any of the Bill

to any of the Bill
introduced

to any of the Bill
Can.

As an unfortunate taxpayer in
this County, I welcome the disinterested
consideration for Imperial revenues
shown by their variation of your double
tax clause & Sec 8 3 (3) & (4), but
as a citizen of Malawi - I think that
as the tax have increased in effect at
least 25% since 1917, with rates -
which I believe probably necessary for
relief - they are too low - but to prevent
the money.

M. S. 30/4/21

Additional proposed
Col. 30.4.21
C. S. 30.4.21

Mr. Clerk

SIR,

With reference to my despatch No. 198 of
February 18th forwarding copies of the Income Tax
Ordinance, 1920, I have the honour to forward
herewith two authenticated and ten printed copies
of the Income Tax Amendment Ordinance, 1921,
together with a statement of Objects and Reasons
prepared by the Attorney General.

The Ordinance was passed by the Legislative
Council on the 2nd day of February, 1921, and I have
assented to it in the name of His Majesty.

I have the honour to be,
sir,

Your humble, obedient servant,

Richard A. M. M. M.

GOVERNOR.

THE RIGHT HONOURABLE

WINSTON CHURCHILL, F.C., M.P.

SECRETARY OF STATE FOR THE COLONIES.

DOWING STREET,

LONDON, S. W.

THE INCOME TAX (AMENDMENT) ORDINANCE, 1921.

158

STATEMENT OF OBJECTS AND REASONS.

52/2/21
 This Ordinance was passed to carry out the instructions contained in the Secretary of State's telegram of 23rd October last. X

The opportunity was taken to make other amendments proposed by the Commissioner of Income Tax. The chief feature of this Ordinance is the large increase in the amount of the tax provided for. With regard to persons paying income tax outside the Colony the Secretary of State's instructions have been carried by granting full relief to persons paying the tax in the United Kingdom, but as persons paying income tax in other parts of the Empire will in some cases pay less than the rate in the Colony it has been thought equitable to charge such persons at a rate equal to the excess of the rate in force in the Colony over the rate paid in the Country from which income is derived.

Nairobi,

Ed. W. LYALL-COOPER

ATTORNEY GENERAL.

The 21st day of February, 1921.

X = Paid of 20 Oct 1921

**THE INCOME TAX (AMENDMENT) ORDINANCE, 1921.
COMPARATIVE TABLE.**

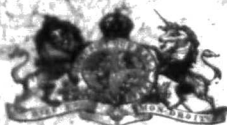
Section.	Remarks.
1.	Short title.
2.	Interpretation.
3.	<p>Exempts official salaries of persons in the service of the Imperial Government employed in the Colony;</p> <p>Income brought into the Colony from another part of the Empire liable to tax at rate equal to excess of rate in force in the Colony over rate paid where income accrues;</p> <p>Relief in the case of persons paying income tax in the United Kingdom.</p>
4.	<p>Repeals provision that persons are not liable to tax unless their income exceeds £150. The Schedule allows an exemption on the first £100 in the case of individuals.</p>
5.	<p>This proviso has been added to give sufficient time to discover undercharges and omissions; three years is the period provided in the United Kingdom.</p>
6.	<p>This enables persons temporarily out of residence to be assessed on sums received.</p>
7.	<p>Substitution of "or who" for which ⁱⁿ line 2 of Section 20 of Principal Ordinance.</p>

Section.	Remarks.
6.	<p>£50 substituted for £100 as amount of insurance premium to be deducted from income;</p> <p>Abolished relief of £100 allowed to taxpayer supporting wife and £75 for each child. This relief was abolished as its application in many cases would have the effect of giving exemption to large classes of people who ought to contribute.</p>
9.	<p>This gives the usual period of three years to discover omissions and undercharges;</p> <p>provision for calculating assessment of business set up during year of assessment;</p> <p>provision for apportioning assessment when changes of ownership of business take place during the year of assessment.</p>
10.	New Schedules substituted for old.

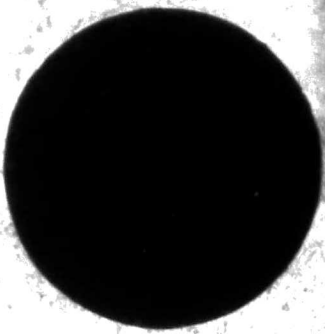
Nairobi,

ATTORNEY GENERAL.

The 21st day of February, 1921.



Colony and Protectorate of Kenya.
 IN THE ELEVENTH YEAR OF THE REIGN OF
HIS MAJESTY KING GEORGE V.
MAJOR-GENERAL SIR EDWARD NORTHEY,
K.O.M.G., C.B.,
 Governor.



Presented to the House of
 Commons by the Secretary of State for the Colonies
 in pursuance of a Resolution of the House of Commons
 passed on the 15th day of February 1921.

Edward Northey
 Governor.

An Ordinance to Amend the Income Tax Ordinance, 1920.

Enacted by the Governor of the Colony of Kenya, with the advice and consent of the Legislative Council thereof:

1. The Ordinance (No. 15 of 1920) intitled "The Income Tax (Short title) (Amendment) Ordinance, 1920" and shall be read with and construed as if the Income Tax Ordinance, 1920, hereafter referred to as "the Principal Ordinance,"

2. Section 5 of the Principal Ordinance, having amended Interpretation by the addition of the following words after the word "assessment" in line 4 thereof:

and shall include the assessment made by the Officer in Charge of the Revenue and Customs for the purposes of the said Ordinance, shall be amended by the addition of the following words after the word "assessment" in line 4 thereof:

"and the assessment made by the Officer in Charge of the Revenue and Customs for the purposes of the said Ordinance, in any case in which the said Officer is authorised by the Governor to make such assessment."

3. Any money payable in or out of the Colony by or to any person in pursuance of the Ordinance (No. 15 of 1920) shall be deemed to be payable in or out of the Colony as if it were payable in or out of the United Kingdom for

that year in respect of the same part of his income shall be entitled to relief from income tax upon this Ordinance paid or payable by him on that part of his income at a rate equal to the amount by which the rate of tax appropriate to his case under this Ordinance exceeds half the appropriate rate of United Kingdom tax. If however the rate of tax appropriate to his case under this Ordinance exceeds the appropriate rate of United Kingdom tax he shall be entitled to relief at a rate equal to half the appropriate rate of United Kingdom tax.

4. Section 9 of the Principal Ordinance is hereby amended by the deletion of the first proviso.

5. Section 10 of the Principal Ordinance shall be and is hereby amended by the addition of the following:—

Provided that in cases where no assessments have been made, or insufficient assessments have been made, the Commissioner may, in the year of assessment or within three years of the end thereof make such assessments as may be necessary to cover the full liability of deceased subject to appeal in like manner as any other assessment, and the said assessment to be made upon the legal personal representative or other person administering the estate as a taxpayer in a representative capacity.

6. Section 10 of the Principal Ordinance is hereby amended by the addition of the following words after the word 'person' in line 8:—

and the amount of the profits paid or authorised to be paid to such person or his agent.

7. Section 21 of the Principal Ordinance is hereby amended by deleting the word 'which' in line 2 and substituting the words 'or his trustee':—

8. Section 24 of the Principal Ordinance shall be amended by deleting in subsection (1) the figures '£100' in line 6 and substituting the figures '£50 thereafter' and by deleting subsection VII.

Provided that these amendments shall not apply to any assessments made in respect of the year 1933.

9. After Section 34 of the Principal Ordinance the following section shall be added:—

34. (a) If any property, goods or chattels have been omitted from the assessment, or if any such property, goods or chattels have been included in the assessment, or if any unauthorised allowance or relief has been made therein, then in all such cases the Commissioner shall, at any time within three years from the end of the year of assessment, require the person liable to the full amount of the full rate of tax at which he ought to have been charged, to appeal as in the case of any other assessment.

(b) Where the estate, business, profession, employ, investment, or any other source of income, or any part thereof, has been assessed within the year of assessment, the liability in that year shall be the full amount of the profits and income from the source of which the assessment was made, and the Commissioner on being informed of the omission shall adjust the assessment by charging the successor with the proportion of the full amount of the profits and income for that year which has been omitted or shall be the full amount of the profits and income for that year ending on the 31st day of December, as assessed, subject to appeal as in the case of any other assessment.

(c) If a person charged with income tax ceases within the year of assessment to carry on the business in respect of which the assessment is made, and is succeeded therein by another person, the Commissioner on being informed of the change and date thereof shall adjust the assessment by charging the successor with the proportion of the full amount of the profits and income for that year which has been omitted or shall be the full amount of the profits and income for that year ending on the 31st day of December, as assessed, subject to appeal as in the case of any other assessment.

Amendment of Section 9 of the Principal Ordinance.

Amendment of Section 10 of the Principal Ordinance.

Trustees and agents.

Tax on interest on debentures.

Income tax.

Amendment of Section 34 of the Principal Ordinance.

Amendment of Section 34 of the Principal Ordinance.

Amendment of Section 34 of the Principal Ordinance.

10. Notwithstanding anything contained in the Principal Ordinance income tax shall be charged, levied, collected and paid to the Commissioner for the year ending the thirty-first day of December, 1931, and for every subsequent year for the use of His Majesty in aid of the Federal Revenue of the Colony, at the rate set forth in the schedule hereto annexed, and the schedule attached to the Principal Ordinance shall not be applicable save to the year ending the thirty-first day of December, 1930.

SCHEDULE

Income Tax

Year Assessed	Rate of Tax	Year The profits or income shown in Column I
100	on the first 100 pounds Nil	—
200	on the next 100 2%	2
300	3%	5
400	4%	8
500	5%	14
600	6%	20
700	7%	28
800	8%	36
900	9%	45
1,000	10%	55
1,100	11%	66
1,200	12%	78
1,300	13%	91
1,400	14%	105
1,500	15%	120
1,600	16%	136
1,700	17%	152
1,800	18%	169
1,900	19%	187
2,000	20%	205
On any additional income over and above £20,000	25%	

Corporation

Year Assessed	Rate of Tax	Year The profits or income shown in Column I
100	on the first 100 pounds 2%	2
200	on the next 100 2%	4
300	3%	7
400	4%	11
500	5%	15
600	6%	20
700	7%	25
800	8%	30
900	9%	36
1,000	10%	42
1,100	11%	49
1,200	12%	56
1,300	13%	64
1,400	14%	72
1,500	15%	81
1,600	16%	90
1,700	17%	100
1,800	18%	110
1,900	19%	120
2,000	20%	130
On any additional income over and above £20,000	25%	

Passed in the Legislative Council the second day of
February, in the year of Our Lord one thousand nine hundred
and twenty-one.

This printed impression has been carefully compared by
me with the Bill which has passed the Legislative Council and
found by me to be a true and correct printed copy of the said
Bill.

H. H. H. H.

Clerk of the Legislative Council

Presented for authentication and issued as a correctly and
faithfully printed copy of the Bill as passed by the Legislative
Council.

W. K. L.

Acting Colonial Secretary

R. W. H. H.

Attorney General

Ord 35710

14 MAY
1921

6 May 1921

[Handwritten initials]

DRAFT.

2d Sec?

Ch. of Inland Revenue

I am in reply to the letter from
the Dept. N^o 14915/21 of the

21st of April, and to transmit

to you, to be laid before the Board,

Inland Revenue, the account of
of the Income Tax Amendment

MINUTE.

- Mr. Clerk 2/5/21
- Mr. Robinson 5/5/21
- Mr. Pennington 4/5/21
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]

Ordinance, 1921, which has been
passed by the Council of Kenya.

(2) Section 3 of the Ordinance

is based, so far as the new

Subsections (3) and (4) added added

to Section 6 of the Principal Ordinance

are amended, on the form of words

Copy of Ord. No. 12 of 1921

suggested by the S.O.S. in November last;

but the Board will observe that local variations

have been introduced; ~~in cases of these~~

~~variations and~~ ^{and} ~~drooping~~

(2) In view of the correspondence which has Int. Rev. T
24 Nov
Col. Office
29 Jan
is copied in the margin,
~~taken place since November~~ it is possible
that the amendment of the Municipal Ord^s may require
~~that the following amendments~~ ^{amendment}

(3) ~~and~~ Mr Churchill will be glad if
he may be furnished at an early date
with any observations which the Board may
desire to make, both on the Municipal
Ord^s & the amending Ord^s.