

No. 5 of 2022.

Income Tax (Amendment) Act 2022.

Certified on : 29 MAR 2022



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ARRANGEMENT OF SECTIONS.

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“Division 11A. - Additional Company Tax.

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“Additional Company taxpayer”

“Additional Company tax”

170E. LIABILITY FOR ADDITIONAL COMPANY TAX.

170F. COLLECTION AND PAYMENT OF ADDITIONAL COMPANY TAX.

170G. NON-DEDUCTION OF ADDITIONAL COMPANY TAX.

170H. NO DEMAND REQUIRED.”.

2. Interpretation (Amendment of Section 258A).



No. 5 of 2022.

AN ACT

entitled

Income Tax (Amendment) Act 2022,

Being an Act to amend the ***Income Tax Act 1959,***

MADE by the National Parliament and shall come into operation on 25 March 2022.

1. LIABILITY TO TAXATION (AMENDMENT OF PART III).

Part III of the Principal Act is amended by adding immediately after Division 11 the following new Division:

“Division 11A. - Additional Company Tax.

170C. APPLICATION.

(1) The objective of this Division is to provide for the imposition of a tax by the name of Additional Company tax, which shall apply to licensed participants in the commercial banking or telecommunications sector.

(2) A liability under this Division is saved and continues where there is a merger or acquisition of any existing market concentration taxpayer.

170D. INTERPRETATION.

(1) In this Division, unless the contrary intention appears -

“Additional Company taxpayer“ means -

- (a) a financial institution authorised to operate under the ***Banks and Financial Institutions Act 2000*** as at 1 January each year, who has more than 40% of the market share of the financial assets of the commercial banking sector in the previous financial year ended 31 December based on information from the Central Bank obtained in the year; or
- (b) a holder of a telecommunications licence as at 25 March 2022 issued under the ***National Information and Communication Technology Act 2009***, who has more than 40% of total subscription services or turnover of the telecommunications sector in the financial year ended 31 December 2021 based on information provided by the National Information and Communications Technology Authority obtained in the year; or

“Additional Company tax” means -

- (a) for an Additional Company taxpayer under Section 170D(1)(a), K190 million; and
- (b) for an Additional Company taxpayer under Section 170D(1)(b), K350 million.

Income Tax (Amendment)

170E. LIABILITY FOR ADDITIONAL COMPANY TAX.

(1) The Additional Company tax as pursuant to this Division shall be imposed on in full and is liable to be paid in full -

- (a) by an Additional Company taxpayer under Section 170D(1)(a) as at 1 January each year; and
- (b) by an Additional Company taxpayer under Section 170D(1)(b) as at 25 March 2022.

(2) The Additional Company tax is payable in addition to any other tax payable by an Additional Company taxpayer under this Act.

170F. COLLECTION AND PAYMENT OF ADDITIONAL COMPANY TAX.

(1) The Additional Company tax shall be collected in addition to the amount of company provisional tax owed by the Additional Company taxpayer as assessed for purposes of Section 275M but shall not be an amount of company provisional tax.

- (2) The Additional Company tax is due and payable as follows:
- (a) for an Additional Company taxpayer under Section 170D(1)(a), a single payment on 30 September each year; and
 - (b) for an Additional Company taxpayer under Section 170D(1)(b), a single final payment on 30 March 2022.

Penalty: For a breach of this section, in addition to the tax liability and any penalties imposed under Division VI.1B, a fine not exceeding K50,000,000.00 or imprisonment for a term not exceeding six months.

170G. NON-DEDUCTION OF ADDITIONAL COMPANY TAX.

The amount of Additional Company tax payable pursuant to this division shall not be an allowable deduction from assessable income under Section 68 of this Act.

170H. NO DEMAND REQUIRED.

The Additional Company tax is payable by the Additional Company taxpayer without the issue of a demand or notice or an assessment by the Commissioner General.”.

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2. INTERPRETATION (AMENDMENT OF SECTION 258A).

Section 258A of the Principal Act is amended -

(a) by adding immediately after Paragraph (s) the following new paragraph:

“(t) Additional Company Tax payable under Division III.11A.”.

I hereby certify that the above is a fair print of the *Income Tax (Amendment) Act 2022*, which has been made by the National Parliament.


Clerk of the National Parliament.

29 MAR 2022

I hereby certify that the *Income Tax (Amendment) Act 2022*, was made by the National Parliament on 23 March 2022.


Speaker of the National Parliament.

29 MAR 2022