



Nakuru Civil Society Organizations Forum



MEMORANDUM TO THE COUNTY GOVERNMENT OF NAKURU ON PREPARATION OF FINANCE BILL 2023/24

Contact Persons

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INTRODUCTION

Nakuru Civil Society Forum is a network of Public Benefits Organizations (PBOs) that are based and working in Nakuru County with the objective of creating synergies for effective delivery of their respective mandates, promoting constitutionalism and contributing positively to the development of the County. The forum provides a Forum for PBOs within its network to share ideas and experiences as well as learn from each other in pursuit of their individual and shared objectives.

Under the devolved governance structure, the Forum provides an important platform for effective engagement with governments both at National and County levels as it seeks to consolidate voices and strategies of member organizations on specific issues to avoid duplication of efforts. The Forum was established as a vehicle through which rights of citizens to participate in public affairs and decision making processes particularly at the county level can be realized through civic engagement and information sharing.

ISSUES THAT REQUIRE THE ATTENTION OF THE NAKURU COUNTY CEC FINANCE

Nakuru Civil Society Forum wishes to propose the following:

1) Equity in Revenue Collections

In the Finance Bill 2023, zones are classified depending the regions and economic opportunities within Nakuru County. Equity should be considered when determining zones as well as when determining rates, levies and taxes for these zones. For instance, medical examination fee for food handlers and application for food hygiene have similar charges across the 4 zones at kshs. 300 (item number 1-3101-applicable for zone A-C) and Kshs. 500 respectively. We recommend that the charges be set in line with the economic opportunities of a particular zone.

2) Tax rationalization

The county government should consider enhancing revenue collection through rationalization of tax measures including incentivizing traders at the bottom of the pyramid and revising upwards the entertainment tax also known as Sin Tax. This would lift the burden on the common citizens or traders at the bottom of the Pyramid. In Finance Bill 2023, we recommend that there should be an increase in areas that are perceived to be leisure. For instances, we are proposing the County Government to increase the following;

- a) Hire of grounds by (court brokers, auctioneers) per day which stood at kshs. 3000 should be revised upwards to Ksh5000 per day.
- b) Lottery business and gaming companies' application fees and trade licensing needs to be high for the sector expects to collect more money and at 5% of the project ticket sales.
- c) This needs to increase by 35% for they are large scales enterprises to reduce burden on the small scale traders.
- d) Casino business premise application fee and licenses should be subjected to 50% increase. Funfair permits cards to increase by 35%

Specification

There are instances where the draft finance bill 2023 has not indicated unit of measures for fees to specific charges. There is need to indicate the unit of measure specifying whether the charges apply for month or annual basis. For instances item 1-3107 for Fish shops, Butcheries, meat roasting, house cafes, snacks bars "on" bars, wines and spirits (retails) under the unit measure is blank. We can peg this charges to a specific timeline.

Taxes/Levies

- a) **Education and Social Services:** The County & National government investing in institution of learning whether pre-school, primary school, colleges and university. To encourage citizens to take children to government institutions of learning we are proposing an increase of 25% on the charges for and also this would boost revenue collection in this sector as private schools and institutions are charging a lot for provision of education.
- b) **Social hall/County parks:** These halls are strategically located to where community members can access easily. The Public benefits organizations and other community meetings that are meant to educate or benefit community have been charged to use these venues despite complementing what the county government is do. It's with this that we propose the county government to provide waivers for community functions and non-state organizations to hold activities.
- c) **Specially interest groups:** As part of the Nakuru county focus being the youth and other marginalized groups, there is need to demonstrate the same in revenue collection. For instance, under film Shooting/Making items 1-4801, 2, 3. There is need for a reduction by 25% for companies own by Nakuru Youths, Individual/cultural groups from Nakuru. This would help in nurturing talent growth for Nakuru youths or promote Nakuru youth owned companies.

3. Tax burden arising from multiple tax regimes

A single business unit attracts a multiplicity of charges and levies including health certificate, food hygiene application, garbage collection fee, firefighting and disaster management fee.

Emerging issues

I. Unlimited powers of director of trade.

The bill proposes to enhance significantly the powers of trade directorate to impose trade regulations or license conditions as he/she deems necessary. This is problematic in a sense that the privileges may be abused through executive overreach or arbitrary imposition of new levies. We therefore propose the vacation of the amendments in respect to Nakuru country trade act as highlighted in section 19 of the Finance bill 2023.

II. Double taxation

The county government should not impose charges to inter county goods on transit. Therefore, Nakuru county needs to establish trade agreement with other counties to facilitate taxation at the point of origin only. At no point should a trader incur multiple charges for goods on transit.

III. Recreational Park / Community social Halls.

We recommend special tax exemption for non-profit organizations and community organized groups who intend to host public meeting and events at the county recreational parks and social halls. NGOs and community organized groups play a vital role in complementing the work of county government and therefore should not be charged to use the aforementioned facilities.

IV. Photography and filming charges in recreational park

No charges should be imposed on photography or filming done at public spaces provided it is not a commercial venture

4. County Related Documents & Statutory Acts

County government should come up with a reasonable charge in line with prevailing market rates for those who are unable to purchase the documents but are able to afford getting the documents photocopied. This will ensure that those who are unable to purchase these documents or obtain them from the county website. By doing so the county government will be promoting access to information, transparency and accountability. There is need to constantly update the website regularly for citizens are depending on it for free.