

ACTS SUPPLEMENT

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Act 14 *Value Added Tax (Amendment) Act* **2022**

THE VALUE ADDED TAX (AMENDMENT) ACT, 2022

ARRANGEMENT OF SECTIONS

Section

1. Commencement
2. Amendment of Value Added Tax Act
3. Amendment of section 26 of principal Act
4. Amendment of First Schedule to principal Act
5. Amendment of Second Schedule to principal Act
6. Amendment of Third Schedule to principal Act

THE VALUE ADDED TAX (AMENDMENT) ACT, 2022

An Act to amend the Value Added Tax Act, Cap. 349 to provide for value added tax on imported services used by businesses in making exempt supplies; to provide for the repeal of the exemption on cotton seed cake; to exempt assistive devices for persons with disabilities; to provide for an exemption for supply of airport user services charge by the Civil Aviation Authority; to provide for equal treatment of supplies of educational materials from the East African Community Partner States and to provide for related matters.

DATE OF ASSENT: 2nd June, 2022

Date of Commencement: 1st July, 2022

BE IT ENACTED by Parliament as follows:

1. Commencement

This Act shall come into force on 1st July, 2022.

2. Amendment of Value Added Tax Act

The Value Added Tax Act, Cap. 349, in this Act referred to as the principal Act, is amended in section 20 (2), by repealing the phrase “or would be used in the provision of an exempt supply”.

3. Amendment of section 26 of principal Act

Section 26 of the principal Act is amended by substituting for subsection (1), the following—

“(1) This section applies to—

- (a) a taxable person, the annual value of whose taxable supplies does not exceed five hundred million shillings; or
- (b) a supplier who supplies goods or services to Government.”

4. Amendment of First Schedule to principal Act

The First Schedule to the principal Act is amended—

- (a) by inserting the following in it’s appropriate alphabetical position—

“International Development Law Organisation (IDLO);”

- (b) by substituting for the words “Department for International Development (DFID)”, the words “Foreign, Commonwealth and Development Office (FCDO)”.

5. Amendment of Second Schedule to principal Act

The Second Schedule to the principal Act is amended in paragraph 1—

- (a) in subparagraph (q), by substituting for item (xvi) the following—

“(xvi) oxygen cylinder or oxygen for medical use;”

- (b) in subparagraph (rr) by repealing the words “at the level of a national referral hospital”;

- (c) by repealing subparagraph (sd);
- (d) by inserting immediately after subparagraph (ooo) the following—
 - “(ppp) the supply of assistive devices for persons with disability;
 - (qqq) the supply of airport user services charged by the Civil Aviation Authority”.

6. Amendment of Third Schedule to principal Act

The Third Schedule to the principal Act is amended in paragraph 1—

- (a) by substituting for subparagraph (d), the following—
 - “(d) the supply of educational materials including educational materials manufactured in a Partner State of the East African Community”; and
- (b) by substituting for subparagraph (j) the following—
 - “(j) the supply of sanitary towels, menstrual cups, tampons and the inputs for their manufacture;”.