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Helicopter tax cuts fail the fairness test

Allowing wealthy Kenyans to buy helicopters cheaply through tax cuts as proposed in the Finance Bill is an unfair step by the government that was formed on the platform of cushioning those at the bottom of the pyramid.

Since the Finance Bill was published, economists, politicians and religious leaders have warned that the William Ruto administration has started on the wrong footing at a time the high cost of living is traumatising many individuals and businesses grappling with low sales due to high prices.

It is sad to promise the rich a smooth ride while the rank and file will be struggling on a turbulent flight made worse by a deeper taxation.

The government proposes to exempt people importing choppers from paying the 16 percent VAT while also

scrapping both the 3.5 percent import declaration fee and the a two percent railway development levy.

This is happening against proposals to double the VAT on petroleum products to 16 percent, effectively pushing the rank and file into a life of unaffordable fuels. This effectively abuses the fairness principle in taxation.

While choppers and planes are used in humanitarian efforts, it would be more prudent to offer relief to those buying planes for public support. As it is, politicians and other rich individuals, will clinch the opportunity to feed their hunger for luxury while denying 'hustlers' the much needed revenues for public service.

The proposed helicopter tax cuts should not see the light of day or must be revised to reflect fairness.

Ratings downgrade must worry Kenya

The latest downgrade of Kenya's issue ratings from B2 to B3 by Moody's should be a wake-up call to policymakers since this means the country is just one level above the high-risk credit risk category, which would make it expensive to access international credit

a significant under-subscription of bond issuances with the 15-year bond auction having been cancelled mid-April owing to low appetite from investors.

Latest Treasury data shows that receipts from domestic borrowing closed April at