



THE REPUBLIC OF KENYA

LAWS OF KENYA

THE REFINERY THROUGHPUT TAX ACT

CAP. 474

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Kenya

Refinery Throughput Tax Act

Cap. 474

Legislation as at 1 July 1982

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Refinery Throughput Tax Act (Cap. 474)

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REFINERY THROUGHPUT TAX ACT

CAP. 474

Assented to on 16 December 1982

Commenced on 1 July 1982

An Act of Parliament to impose a tax on refinery throughput and for matters incidental thereto

1. Short title

This Act may be cited as the Refinery Throughput Tax Act.

2. Interpretation

In this Act—

“**crude petroleum**” means petroleum in the liquid state, including condensates;

“**petrochemical**” means a chemical compound or mixture of compounds manufactured from petroleum or petroleum products;

“**petroleum**” means a mixture of naturally occurring hydrocarbons and hydrocarbon compounds;

“**refinery**” means an organization which manufactures from petroleum products partly finished or finished petroleum products or petrochemicals by a refining process;

“**tax**” means the refinery throughput tax imposed by section 3;

“**user**” means the person liable to pay refining charges to a refinery.

3. Imposition of tax

- (1) There shall be levied and collected a tax, to be known as refinery throughput tax, on all charges made by a refinery in respect of refining crude petroleum, at the rate of fifteen per cent of those charges.
- (2) For the purposes of this section payment made to a refinery in lieu of refining charges where refined petroleum is imported shall be deemed to be charges made in respect of refining crude petroleum.

4. Collection of tax

- (1) Tax shall become due when refining charges are made to the user and shall be paid by the refinery not later than thirty days after the end of the month in which the tax became due.
- (2) Payment of tax shall be made by a refinery in accordance with instructions issued by the Treasury, which instructions need not be published in the *Gazette*.

5. Prohibition against passing on tax

Except with the written authority of the Minister a refinery shall not pass to the user the cost of tax payable under this Act.

6. Exemptions

The Minister may by notice in the *Gazette* exempt from levy of tax on refining charges which relate—

- (a) to any class or consignment of petroleum or petroleum products; or

- (b) to any part of the refining process.

7. Power to enter premise of refinery and inspect documents, etc.

- (1) A person authorized in writing by the Minister may, on production of his authority if so required, enter upon premises owned or occupied by a refinery and may require any proper officer of the refinery to produce for his inspection all books, documents and records relevant to the levy and collection of tax and may take copies thereof or extracts therefrom.
- (2) Any person who obstructs a person authorized under subsection (1) in the exercise of the powers conferred by that subsection or who fails to comply with a requirement made thereunder shall be guilty of an offence and liable to a fine not exceeding ten thousand shillings or imprisonment for a term not exceeding six months, or to both.

8. Offences and penalty

- (1) A refinery which fails to pay tax payable in accordance with this Act shall be guilty of an offence and liable, in addition to the tax, to pay a fine not exceeding three times the amount of the tax payable.
- (2) Where an offence is committed under subsection (1) every director of the refinery and every officer thereof concerned in its management shall also be guilty of that offence unless he proves that he did not know, and could not reasonably have been expected to know, of the commission of the offence or that he took all reasonable steps to ensure that the offence was not committed.

9. Recovery of tax

Whether or not a prosecution is brought for an offence under this Act any amount of tax payable and not paid in accordance with section 4 shall be a civil debt recoverable summarily by the Government.

10. Regulations

The Minister may make regulations generally for the better carrying out of the purposes of this Act.