

Press Release

Taxation The Cruel Face of Capitalism

Kenyans are bracing for more hard and tough times over the proposals in the 2023 Finance Act. The tabled financial bill is reinstating 16 per cent value-added tax on petroleum products as well as introducing a housing levy of 3 percent. Prices of nearly all goods and services have gone up in recent months including the cost of electricity, fuel and maize flour.

We in Hizb ut Tahrir / Kenya would like to expound the following:

The bill has exposed politician's doublespeak who lack sincerity as current top government officials rejected the Petroleum Products (Taxes and Levies (Amendment) Bill 2021 in the last regime. With Jubilee Government out of office, the then-opponents of high tax are now the most vocal supporters.

Upon cursory view of massive taxation of ordinary Kenyans during the pre and post-independence has never solved any economic and financial problems but rather plunging the country into a further perpetual economic and financial crisis. Apparently, imposition of tax as the main revenue in capitalist system has and will never be a solution to an already ailing economy.

It has come blatantly clear the capitalist governments do not go to task in managing the affairs and the interests of the common man. Instead, what it means for better improvement in livelihood of its people is increasing the taxes that eventually influence increase in prices of goods and services resulting into abject poverty. Adding the salt to the wound, capitalist regimes rely heavily on financial borrowing. Taking overwhelming loans with citizens' taxes as security to fund 'air' projects then in turn the fund is looted by greedy top government officials.

We reiterate that the Khilafah (Caliphate) State that implements the Islamic economic system which is free of all cruel taxes like VAT and Income tax. Prophet Muhamad, peace be upon him, said; «لَا يَدْخُلُ الْجَنَّةَ صَاحِبُ مَخْسٍ» **"The collector of taxes will not enter heaven."** (Ahmad). Islam has its own unique system of revenue collection, including revenue from public properties (such as gas) and agricultural production (such as kharaj), which generate revenue without strangling economic activity. And the Islamic economic system assigns resources such as energy, grazing land and waters as public property. Neither the state nor private individuals alone can usurp its benefit for themselves, rather the benefits from it are for the entire people. Prophet Muhammad, peace be upon him, said, «الْمُسْلِمُونَ شُرَكَاءُ فِي ثَلَاثٍ الْمَاءِ وَالْكَلَى وَالنَّارِ» **"The Muslims are partners in three, water, pastures and fire"** (Ahmad, ibn Majah)

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