

Every Second Thursday in the Month of June is a special day in Kenya's fiscal calendar. This is the day everyone waits for anxiously. It is a day for surprises and reliefs, for hits and misses, for the goodies and losses- all contained in that treasured briefcase from the treasury. First we get the allocations, then comes the dreaded part – the spelling out of new tax measures. Change in tax policy is inevitable, of course the government and its subjects must keep adapting to the economic dynamics. However, the changes must be well thought out, fair to the masses and most importantly predictable. It is not uncommon to see a new policy being implemented in one fiscal year only to be withdrawn in the successive period. The injudicious change in fiscal laws offend the second maxim in taxation which is certainty. Stability is a close relative to certainty. Certainty deals with a current situation while stability deals with how that situation will be in future. Stability implies that changes in tax policies should be in force for a specified period that is a fixed term from when they come into force until they are withdrawn. That idea sounds utopian but needs to be explored.