

### Press Release

## **New Financial Laws Will Never Save Citizenry from Economic Miseries**

In a Finance Bill 2025/26 tabled in the parliament which has been branded by the current regime as an economic incentive hence will not impose new taxes or increase existing ones in this year's budget proposals. The Government is strategizing more on tax administration and trying to seal the loopholes and make tax collection efficient. The Bill seeks to minimise tax-raising measures and has proposed exemptions from VAT of a litany of goods that are currently zero-rated.

**Hizb ut Tahrir / Kenya** wishes to point out the following:

The zero rated, subsidies and exempted tax policies are clear indications that the essence of miserable livelihood is solely due to taxation. Additionally, these new proposed measures are merely cosmetic and a further indication of contradictory image of capitalist economy. On the one hand, tax is viewed as self reliance and the other, tax exemptions are regarded to facilitate the economy! Yet indeed taxation is a tool of maintaining the value of the paper currency and the essence of harsh economy through State Coersion.

This bill has yet shown the fallacy of the whole tax policy in the Capitalist economic model which is the primary source of a State's revenue. In a capitalist economy, taxation is an economic necessity to keep alive the Fiat Monetary system and balance of trade and not to cushion the economy and the livelihoods of the ordinary citizens.

Capitalist state budgets revolve within taxation and borrowing hence no economic liberation and indepenence. To further the burden upon the common man, the state is compelled to borrow on interest inorder to consolidate the budget deficit.

The radical solution to the economic miseries in Kenya and the world at large will never be achieved through taxations and borrowing usury loans or crafting new finance laws. Islam is the only solution to all economic problems.

Islam has a 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. We certainly believe it is only the Khilafah (Caliphate) State that implements the Islamic economic system which is free of all cruel taxes like VAT and income tax.

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