

**SPECIAL ISSUE**

*Kenya Gazette Supplement No. 38 (Acts No. 1)*



REPUBLIC OF KENYA

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**KENYA GAZETTE SUPPLEMENT**

**ACTS, 2018**

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**NAIROBI, 11th April, 2018**

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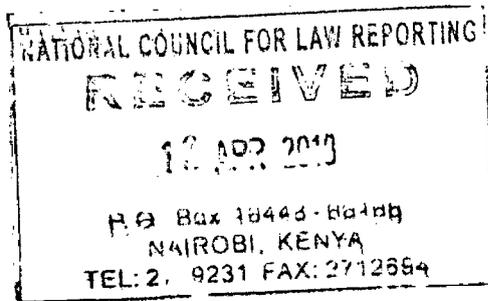
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**THE DIVISION OF REVENUE ACT**

**No. 1 of 2018**

*Date of Assent: 10th April, 2018*

*Date of Commencement: 11th April, 2018*

**ARRANGEMENT OF SECTIONS**

*Section*

- 1—Short title.
- 2—Interpretation.
- 3—Object and purpose of the Act.
- 4—Allocations to national and county governments.
- 5—Variation in revenue.

**SCHEDULE—EQUITABLE SHARE OF REVENUE RAISED  
NATIONALLY BETWEEN THE NATIONAL AND COUNTY  
GOVERNMENTS FOR THE FINANCIAL YEAR 2018/19**

## THE DIVISION OF REVENUE ACT, 2018

**AN ACT of Parliament to provide for the equitable division of revenue raised nationally between the national and county governments in the 2018/19 financial year, and for connected purposes**

**ENACTED** by Parliament of Kenya, as follows—

1. This Act may be cited as the Division of Revenue Act, 2018. Short title.
2. In this Act, unless the context otherwise requires— Interpretation.

“Cabinet Secretary” means the Cabinet Secretary for the time being responsible for matters relating to finance;

“revenue” has the meaning assigned to it in section 2 of the Commission on Revenue Allocation Act, 2011; and No. 16 of 2011.

“state organ” has the meaning assigned to it under Article 260 of the Constitution.
3. The object and purpose of this Act is to provide for the equitable division of revenue raised nationally between the national and county levels of government for the financial year 2018/19 in accordance with Article 203(2) of the Constitution. Object and purpose of the Act.
4. Revenue raised by the national government in respect of the financial year 2018/19 shall be divided among the national and county governments as set out in the Schedule to this Act. Allocations to national and county governments.
5. (1) If the actual revenue raised nationally in the financial year falls short of the expected revenue set out in the Schedule, the shortfall shall be borne by the national government, to the extent of the threshold prescribed in Regulations by the Cabinet Secretary. Variation in revenue.

(2) If the actual revenue raised nationally in the financial year exceeds the projected revenues set out in the Schedule, the excess revenue shall accrue to the national government, and may be used to reduce borrowing or pay debts.

2018

Division of Revenue

No. 1

## SCHEDULE

(s.4)

**ALLOCATION OF REVENUE RAISED NATIONALLY BETWEEN THE  
NATIONAL AND COUNTY GOVERNMENTS FOR THE FINANCIAL  
YEAR 2018/19**

Type/level of allocation	Amount in KSh.	Percentage (%) of 2013/14 audited and approved Revenue i.e. KSh. 935,653 Millions
<b>A. Total Shareable Revenue</b>	<b>1,688,492,000,000</b>	
<b>B. National Government *</b>	<b>1,369,792,000,000</b>	
<b>Of which:</b>		
<i>1. Leasing of Medical Equipment</i>	<i>9,400,000,000</i>	
<i>2. Compensation for user fees forgone</i>	<i>900,000,000</i>	
<i>3. Level 5 hospitals</i>	<i>4,326,000,000</i>	
<i>4. Supplement for construction of county headquarters</i>	<i>605,000,000</i>	
<i>5. Rehabilitation of Youth Polytechnics</i>	<i>2,000,000,000</i>	
<b>C. Equalization Fund</b>	<b>4,700,000,000</b>	<b>0.5%</b>
<b>D. County equitable share</b>	<b>314,000,000,000</b>	<b>33.6%</b>
<b>Memo items</b>		
<b>1. County Equitable Share</b>	<b>314,000,000,000</b>	
<b>2. Additional conditional allocations (National Government share of Revenue) of which;</b>	<b>17,231,000,000</b>	
<i>2.1. Leasing of Medical Equipment</i>	<i>9,400,000,000</i>	
<i>2.2 Compensation for user fees forgone</i>	<i>900,000,000</i>	
<i>2.3 Level 5 hospitals</i>	<i>4,326,000,000</i>	
<i>2.4 Supplement for construction of county headquarters</i>	<i>605,000,000</i>	
<i>2.5 Rehabilitation of Youth Polytechnics</i>	<i>2,000,000,000</i>	
<b>3. Allocation from Fuel Levy Fund (15%)</b>	<b>8,269,000,000</b>	
<b>4. Conditional allocations</b>	<b>33,241,930,770</b>	

<b>(Loans &amp; grants) of which:</b>		
4.1 IDA-Kenya Devolution Support Program (KDSP)	2,300,000,000	
4.2 IDA-Kenya Devolution Support Program (KDSP) (Level 2 Grant)	4,000,000,000	
4.3 IDA-Transforming Health Systems for Universal Care Project	3,636,589,847	
4.4 DANIDA-Universal Healthcare For Devolved System Program	1,012,500,000	
4.5 IDA-National Agriculture & Rural Inclusive Growth Project (NARIGP)	2,949,138,423	
4.6 EU-Instruments for Devolution Advice and Support (IDEAS)	1,040,000,000	
4.7 IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	3,039,000,000	
4.8 World Bank- Kenya Urban Support Program(KUSP)	11,464,702,500	
4.9 IDA- Water and Sanitation Development Project (WSDP)	3,800,000,000	
<b>Total County Allocations= (1+2+3+4)</b>	<b>372,741,930,770</b>	<b>39.8%</b>

*\*The National Government share includes KSh. 4,300 million which is a special grant to the National Health Insurance Fund (NHIF) for free Maternal health care, to be disbursed as a reimbursement to county governments.*