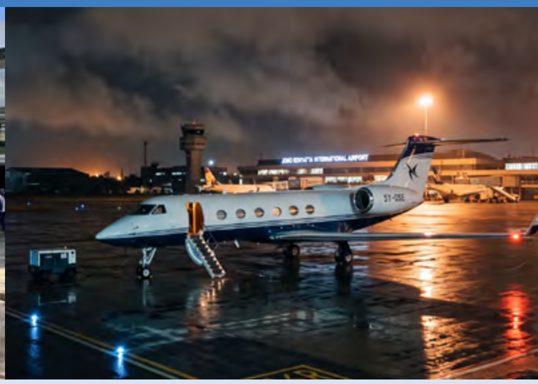
THE POLITICS OF TAXING THE RICH: BUILDING POLITICAL BUY-IN AND PUBLIC LEGITIMACY FOR WEALTH TAXATION IN KENYA

POLICY BRIEF


Key Messages

1. Kenya's current tax system places a disproportionate burden on labour and consumption while significant concentrations of wealth remain relatively undertaxed. Strengthening the taxation of wealth presents an opportunity to improve equity, reduce inequality and enhance domestic revenue mobilization.
2. The main obstacle to implementing wealth taxes is political resistance from powerful economic and political figures, along with decreasing public trust in government. Without tackling these issues of governance and legitimacy, even well-designed reforms are unlikely to succeed.
3. Kenya has an established policy basis for wealth taxes, with the National Tax Policy, the Medium-Term Revenue Strategy and recent public statements by the Executive highlighting a growing acknowledgment of the importance of shifting the tax burden towards those with a greater ability to pay.
4. Building political buy-in demands more than just government commitment. It requires broad-based coalitions involving the Executive, Parliament, the National Treasury, the Kenya Revenue Authority, civil society, academia, think tanks and grassroots organizations. This should be complemented by strategically timed advocacy during key policy windows (for example during elections) and sustained public engagement to strengthen political incentives and public support for wealth taxation.
5. To secure public support, the government must demonstrate fairness, transparency and real public benefits. Wealth taxation should be presented as a component of Kenya's overall domestic revenue mobilization efforts, with clear communication on how the funds will support key public services and reinforce the social contract.

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1. Introduction

Kenya's tax system presents a fundamental paradox: while it is designed to be progressive, it has some elements of regressivity such as a heavy reliance on consumption taxes, which disproportionately burden low-income households, while under-taxing wealth. Evidence from the OECD shows that even a roughly proportional VAT that has exemptions and zero-rated goods can still pose serious equity challenges, particularly for low-income households.[1] The situation in low and middle-income countries is more complex, as high levels of informality can lead to different challenges: informal transactions often occur outside of the tax net entirely, while the poor may face "informal" taxes in such contexts (e.g., those not levied by government). Nevertheless, at least on a formal level, recent analysis by the World Bank for Kenya indicates that, as in the OECD, most of the existing VAT exemptions do little to protect poorer households despite their impact on revenue.[2]

Kenya does have a set of progressive taxes in place that target the wealthy, but they have not reached their revenue potential. Taxes such as capital gains tax, property taxes, and rental income tax target the wealthy, but these measures have raised little revenue, partly because they are charged at rates well below the top income tax rate of 35%: capital gains tax at 15% and rental income tax at just 7.5%. The rental income tax case illustrates the scale of the shortfall: KRA collects an estimated KSh 17 billion annually from the sector, against its own estimate of over KSh 100 billion in potential revenue.[3]

In this context, wealth taxation has emerged as a viable policy option with the potential to raise considerable revenue, according to some estimates. Kenya's wealth is highly concentrated: Oxfam estimates the country has roughly 7,200 dollar-millionaires against a population of 52 million, and that a small elite holds wealth equivalent to that of tens of millions of ordinary citizens combined. Oxfam projects that a properly structured wealth tax could raise over USD 1 billion annually, resources that could meaningfully expand health and education spending or reduce reliance on debt-financed budgets, at a time when a large share of tax revenue is already absorbed by debt service. [4]

Realizing this potential, however, is difficult because most wealthy individuals hide their wealth in offshore tax havens, shell companies, trusts, and more recently cryptocurrencies.[5] From an administrative perspective, taxing wealth held in other countries has proven difficult. By creating a dedicated unit for identifying high-net-worth individuals, the Kenya Revenue Authority (KRA) is acknowledging these difficulties.[6] These individuals often have complex financial structures and may have access to intricate tax planning strategies.[7]

While administrative and technical challenges are significant, existing debates on wealth taxation in Kenya have tended to overlook the more decisive constraint, namely, the political realities that shape whether such a reform is feasible and sustainable. It might seem that a wealth tax should be relatively easy to pass since it targets a small, wealthy minority, while most citizens stand to benefit from the revenue with little to no direct cost. The 2024 Finance Bill protests suggest that there is a mass constituency in Kenya that is willing to mobilize around tax policy, and that could, in theory, represent the interests of the majority of ordinary taxpayers in a debate over whether to tax a wealthy minority.

While broad-based taxes in Kenya can trigger broad-based resistance, however, elite-targeted taxes such as a wealth tax face effective form of resistance: concentrated opposition from a small group with strong incentives and the resources to organize. Wealthy taxpayers have disproportionate access to policymakers, the capacity to lobby for exemptions or delay, and in the case of a wealth tax specifically, the ability to shift assets offshore or restructure holdings to avoid the tax altogether. A fragmented public that benefits only indirectly from a wealth tax's revenue (and pays only indirectly for its absence) has comparatively little incentive or capacity to organize in its defence, even though it vastly outnumbers the elite it would tax. This imbalance is the central political constraint a wealth tax proposal in Kenya would need to confront.

This brief asks ***what strategies can Kenya employ to construct and sustain the political buy-in and legitimacy necessary for the successful adoption and implementation of wealth taxation in Kenya?*** In answering this question, this brief first examines the political economy constraints that continue to impede the adoption of wealth taxation in Kenya, focusing on the role of elite influence, political incentives and public trust in shaping fiscal reform. It then proposes actionable pathways for building the political support and legitimacy required for successful implementation. These include securing political buy-in, reframing wealth taxation around solidarity, fairness and visible public benefits, strengthening strategic civic engagement and coalition building, leveraging international norms and global tax governance, and fostering sustained public engagement to build trust and support for the reform.

2. Problem Diagnosis: The Political Economy Constraints to Wealth Taxation

Kenya's taxation system, like most tax systems, has long been shaped by politically mediated bargains, where tax policy is not used purely as a tool of revenue generation but as an instrument of political consolidation and patronage. Since independence, revenue policy has often functioned not just to generate public revenue but also to sustain political coalitions, reward allies and uphold wider political agreements. Evidence shows that successive administrations have relied on discretionary tax exemptions, negotiated arrangements and selective enforcement to maintain elite coalitions, often at the expense of equity and efficiency.[8] This is often done to accommodate influential economic and political interests. As such, taxation has reflected negotiated compromises between the state and powerful actors, as in most contexts.[6]

The political challenges associated with wealth taxation are exacerbated by the significant influence exercised by economic elites through both instrumental and structural forms of power. Instrumental power refers to the direct ability of wealthy individuals and corporations to shape political decision-making through lobbying, campaign financing, personal networks and influence over legislative processes.[9] In Kenya, this manifests in the capacity of wealthy individuals and corporations to shape legislative outcomes, weaken reform proposals or secure favourable exemptions. Instrumental power has been evident in repeated modifications to tax legislation following lobbying by organised business interests.[10]

Politically connected firms and high-net-worth individuals have often been better positioned to secure exemptions or favourable treatment while the burden of taxation has remained concentrated on less organised taxpayers.[8] This pattern has created a fiscal system in which tax obligations are not always applied consistently across taxpayers. Consequently, redistributive reforms that seek to increase the tax contribution of wealth holders face resistance because they challenge long-established political and economic arrangements. Kenya's experience with Capital Gains Tax illustrates this dynamic. The suspension of the tax in 1985 significantly reduced the taxation of wealth derived from appreciating assets and its eventual reintroduction decades later encountered considerable opposition from business interests and professional associations.[11] Similarly, reforms aimed at broadening the Value Added Tax (VAT) base have repeatedly been weakened through political lobbying that restored exemptions and concessional treatment for influential sectors. For example, although the VAT Act, 2013, initially reduced exemptions to broaden the tax base[12] later amendments reinstated zero-rated and exempt status for a range of goods and services, including concessions for sectors such as aviation with exemptions for aircraft spare parts and appliances. Although these incentives may support broader industrial policy objectives, their design and implementation have often raised concerns that the benefits accrue disproportionately to benefit higher-income individuals and well-connected businesses.[13] These reversals reflect the influence of organized business interests and politics in shaping Kenya's VAT policy. Similarly, successive administrations have frequently granted tax exemptions and incentives, that while often justified on investment or industrial policy grounds, have in some cases disproportionately benefited politically connected individuals and firms.

Structural power stems from the state's reliance on private investment and economic expansion. This dependence enables investors to indirectly shape policy by threatening to withdraw investment, relocate capital, shift economic activity or destabilize markets.[14] Economic elites in Kenya wield structural power which they use indirectly, posing a major risk to the country's economic growth.[12] A core concern in this regard is that introducing a wealth tax could weaken Kenya's investment attractiveness by encouraging wealthy individuals and investors to relocate their tax residence or shift capital to lower-tax jurisdictions. The OECD notes that a high wealth tax burden may encourage wealthy taxpayers to relocate, which could lead to a loss of domestic investment beyond the immediate tax revenue loss.[15] France's experience with its net wealth tax (ISF) illustrates this outcome, with evidence of capital flight and hundreds of wealth-tax-paying individuals leaving the country annually.[7] Nevertheless, this concern highlights both the importance and the difficulty of differentiating between policies that promote productive investment and those that reduce taxes on accumulated personal wealth. Where the wealth of individuals and businesses is closely intertwined, it can be difficult to distinguish assets used for productive investment from those held primarily for personal consumption or wealth accumulation. While specific tax incentives can legitimately support investment and industrial growth, a carefully designed wealth tax can target personal wealth without harming incentives for productive business activities. Kenya relies on private capital for economic growth, so the policy challenge is to design a tax system that promotes investment while ensuring that concentrated wealth contributes fairly to domestic revenue mobilization.

Another political economy constraint arises from declining public trust and a legitimacy deficit as portrayed during the 2024 Finance Bill protests.[7] The rejection of new tax measures reflected not only opposition to increased taxation but also deep mistrust in government, perceived inequities in the tax burden and concerns over weak fiscal transparency coupled with poor service delivery, demonstrating that taxation is contested within the public sphere as much as it is negotiated among elites. The protests demonstrated that citizen reactions to taxation are not merely related to their economic impact, but to questions of political legitimacy and the social contract. Where governments are perceived to misuse public resources or distribute the tax burden inequitably, support for new tax measures is likely to weaken regardless of their distributive objectives.

This legitimacy deficit surrounding public finance presents a fundamental political economy challenge for wealth taxation in Kenya. Although public opinion often supports greater taxation of wealthy individuals as a means of reducing inequality and promoting fairness[16], declining trust in government reduces citizens' willingness to endorse new tax measures where there are doubts about the effective, transparent and equitable use of public resources.[9] Public trust in government becomes a critical determinant of support for reforms such as wealth tax since the perceived benefits of wealth taxation depend on citizens believing that additional revenues will be used effectively, transparently and equitably. Where citizens lack confidence that additional tax revenues will be managed responsibly or used to improve public services, they are more likely to question whether the benefits of wealth taxation outweigh its potential economic costs. This trust deficit could create opportunities for economic elites to shape public discourse by leveraging media platforms, professional associations and political networks to portray wealth taxation as economically harmful, administratively impractical or detrimental to investment. Such narratives reinforce public skepticism even where the proposed tax would affect only a small proportion of wealthy households, making wealth taxation contested both within elite bargaining processes and in the broader public sphere.

Wealth taxation requires broader institutional reforms that strengthen political commitment, reduce opportunities for discretionary tax treatment, enhance fiscal transparency and accountability and rebuild public confidence in the tax system. The next section asks how Kenya can make headway on these reforms, with a focus on building political support for reform within a wide coalition that can take on the opposition to wealth taxation.

3. Policy Directions: Building Political Buy-In for Wealth Taxation

The success of wealth taxation in Kenya hinges on securing strong political buy-in

Wealth taxation in Kenya will only be viable if it is backed by sustained political commitment and clear institutional leadership. Implementing it demands ongoing dedication from both the Executive and Parliament to promote the reform, forge broad political agreement and resist opposition from vested interests that have historically influenced Kenya's fiscal policy. Effective political leadership is essential to present wealth taxes as a fair tool for advancing equity and increasing domestic revenue, while keeping the energy alive to turn policy ideas into legislation and successful execution. Without firm political backing, even well-designed wealth tax proposals are unlikely to move beyond initial policy discussions or be applied consistently and effectively.[7]

The National Tax Policy provides an important policy foundation for progressive taxation by recognising equity, fairness and the ability-to-pay principle as guiding principles of Kenya's tax system. The policy commits the Government to promoting a tax system that distributes the tax burden fairly, enhances vertical equity[17] and supports sustainable domestic revenue mobilisation. By recognising that taxpayers with greater economic capacity should make a proportionately larger contribution to public finances, the policy establishes a strong normative and policy basis for considering taxes on accumulated wealth and high-net-worth individuals as part of Kenya's broader domestic revenue mobilisation strategy.

Political support for wealth taxation has also been demonstrated through government policy proposals and public statements.[18] The Kenyan government has previously explored wealth taxation through proposals targeting high-net-worth individuals, strengthening capital gains taxation and considering inheritance taxation as part of broader tax policy reforms.[14] President William Ruto has publicly stated that Kenya is *"overtaxing trade and under taxing wealth,"* indicating his regime's intention to shift a larger portion of the tax load onto wealthier individuals as they are able to pay more.[19] Additionally, the Government proposed the Motor Vehicle Circulation Tax under the Medium-Term Revenue Strategy[20], introduced in Finance Bill, 2024, and publicly framed it as a form of wealth taxation, because the tax liability was linked to the value of a motor vehicle, reflecting the view that owners of higher-value vehicles have a greater capacity to contribute to public revenue. [21] The proposal was eventually withdrawn due to widespread opposition to the Finance Bill 2024.The National Assembly's Finance and National Planning Committee also rejected it, arguing that motor vehicle ownership was not an appropriate proxy for wealth and therefore constituted an unsuitable tax base.[22] Nevertheless, the episode showed that the Executive had already viewed some form of wealth taxation as a feasible fiscal policy alternative.[23]

4. Frame wealth taxation around solidarity, fairness and visible public benefits

International experience suggests that wealth taxes are more likely to gain political and public acceptance when they are framed as contributions toward shared national priorities rather than simply as redistributive fiscal measures. Although Kenya's situation varies from countries like Spain, which implements a solidarity wealth tax linked to achieving public outcomes, a key lesson from Spain is that public backing for wealth taxes relies on citizens' perception of fairness and its association with real public benefits.[24] Given persistent concerns about government accountability and the use of public resources, any wealth tax proposal in Kenya should be accompanied by clear communication complemented by credible institutional arrangements that demonstrate how revenues will be used. This could include ring-fencing part of the revenues for clearly defined priority investments, e.g. healthcare, supported by statutory reporting requirements, independent oversight and robust transparency and accountability mechanisms.

Policymakers should consistently present wealth taxation as part of Kenya's broader domestic revenue mobilization strategy rather than as a standalone tax targeted at a particular group. Framing the reform as a one component of a broader fiscal compact designed to strengthen the tax system, finance quality public services and promote sustainable economic development can help shift public discourse contribution to focus on the collective benefits of a fair and resilient fiscal system focused on shared national development. This approach aligns wealth taxation with the broader objective of building a fairer and more resilient tax system that supports inclusive economic growth.[7]

Equally important is sustained public engagement throughout the reform process. Clear and transparent communication on the rationale, scope and intended use of wealth tax revenues can help address misconceptions, counter misinformation and strengthen public confidence in the reform. Engaging Parliament, the private sector, civil society and citizens early in policy discussions would also help build broader ownership and legitimacy, increasing the likelihood that wealth taxation is viewed as a fair and credible instrument for financing development rather than simply another revenue-raising measure. However, such engagement should be designed around transparent consultation processes, clear rules for stakeholder participation, public disclosure of submissions and evidence-based assessment of stakeholder inputs to inform decision-making to ensure that consultation does not provide opportunities for vested interests to dilute the policy or secure preferential treatment.

5. To promote wealth taxation in Kenya, it is essential to develop broad coalitions that can bolster political backing for such measures

A broad coalition will be necessary to push for wealth taxation in Kenya. Therefore, civil society groups need to unite academia, think tanks, government entities like the Kenya Revenue Authority (KRA) and the National Treasury, MPs as well as grassroots movements in the campaign for its introduction in the country.[7] These actors bring complementary strengths and incentives to the reform process but they also have different interests, hence their support cannot be assumed and must be actively cultivated. The National Treasury and KRA can link wealth taxation to domestic revenue mobilisation and implementation capacity; academia and think tanks can provide evidence on its rationale, design and revenue potential; Members of Parliament can advance the necessary legislative reforms where the proposal is seen to respond to constituent demands for improved public services, fiscal fairness and sustainable public finances; and grassroots organizations can build citizen support by connecting revenues to improved public services. Building broad-based coalitions requires aligning the reform with the incentives of different stakeholders, thereby strengthening its credibility, countering elite resistance and broadening ownership beyond civil society advocacy.

Coalition-building efforts should be complemented by well-timed advocacy that aligns with key opportunities in Kenya's policymaking cycle. These include the annual Finance Bill process, public participation forums and the 2027 electoral cycle which provide platforms for shaping public debate and influencing policy decisions. Although political party manifestos are not always fully implemented, election periods offer significant opportunities since parties and candidates tend to be more attentive to public concerns and eager to demonstrate their dedication to key issues like inequality and living costs. Presenting wealth taxation as a fairness measure can make it a more prominent topic in political debates during campaigns, especially when there is strong public demand for a just tax system.

Sustained public pressure will be needed, as political leaders who may be directly affected by wealth taxation have little incentive to champion such reforms. This underscores the importance of cross-party advocacy and pressure from civil society to raise the political cost of opposing wealth taxation and increase the incentives for political leaders to support reform. Sustained advocacy by civil society, academia, think tanks and reform champions within government and Parliament can help integrate wealth taxation into political party manifestos, parliamentary discussions and public consultations increasing its visibility, encouraging political commitment and building wider public support. By combining broad-based coalitions with strategically timed engagement, while recognizing and addressing the political economy constraints, can increase the likelihood of wealth taxation progressing from policy debate to legislative action.[25]

6. Leveraging international norms and global tax governance to inform wealth tax implementation is another critical step

International tax cooperation is not solely a technical resource for wealth tax design; it is also a political one. It can help counter the two levers elites are most likely to use against domestic reform: capital flight and the narrative that a unilateral wealth tax will deter investment in Kenya.

On capital mobility, Kenya's engagement with the UN Framework on International Tax Cooperation is directly relevant. Kenya hosted the third round of negotiations in Nairobi in November 2025 and has aligned with the Africa Group, alongside Nigeria and Ghana, in pushing for a fairer allocation of taxing rights and majority-based decision-making.[26] Article 5 of the draft convention includes a dedicated provision on cooperating to tax high-net-worth individuals through cross-border exchange of information. As it becomes harder for the wealthy to hide money abroad or hide who really owns it, one of elites' strongest arguments against a wealth tax loses its force: the implicit threat that taxing them will simply drive their money out of the country. When hiding wealth gets harder, that threat becomes less credible and that shifts the political balance somewhat back in favor of reform.

On legitimacy, Kenya's visible leadership in this process allows a domestic wealth tax to be framed as part of a broader global shift rather than an isolated, unilateral move. Elite opposition to wealth taxation typically leans on an investment-climate argument, that taxing wealth will make Kenya look hostile to capital and put it at a competitive disadvantage relative to peer economies. That argument is harder to sustain when the reform is part of a coordinated, multilateral shift in global tax norms, one that Kenya is actively shaping alongside Nigeria and Ghana on strengthening cross-border tax transparency and information exchange on high-net-worth individuals. Framed this way, a domestic wealth tax looks less like an outlier policy and more like alignment with where international norms are heading, which strips elite opponents of one of their more credible public arguments and leaves their resistance looking more transparently self-interested. This may make it politically harder for domestic elites to dismiss the reform as arbitrary or exceptional.

7. Building public trust and legitimacy for wealth taxation is vital for its successful implementation in Kenya and how the reform is communicated is central to whether that trust is built or eroded.

In a digital information environment, public trust in government is shaped as much by how reform is explained as by its actual design. Fiscal debates increasingly unfold and are contested on digital platforms before formal consultation processes even conclude. If reform proponents do not offer clear, credible information about a policy early, that space tends to be filled by whichever narrative reaches the public first. For a wealth tax specifically, the more likely communication risk does not lie in organic public opposition to taxing wealth, as cross-country evidence suggests that such measures are broadly popular.[27] Instead, the risks lie in the realm of perception: a combination of cynicism about the reform's motives (that it is elite score-settling rather than genuine policy) and the power of elite-driven narratives that frame the tax as economically self-defeating, threatening jobs or investment that ordinary citizens depend on.

Cynicism is not just a communication issue; it stems from accumulated experiences causing Kenyans to doubt whether fiscal reforms truly serve the public. Recent reforms have often been perceived as imposing greater burdens on citizens without corresponding improvements in public services, accountability or transparency. For example, the Affordable Housing Levy was implemented despite sustained public opposition, legal challenges and concerns over its affordability and governance,[28] reinforcing perceptions that public objections have limited influence on fiscal decision-making. Similarly, the transition to the Social Health Insurance Fund (SHIF) has remained contentious, with ongoing parliamentary debates,[29] legal disputes, implementation challenges and public concerns over its readiness and effectiveness.[30] These experiences have reinforced concerns that some fiscal reforms are implemented without due consideration to the needs of the citizenry and their design focuses more on collections than on improving the welfare of the people. Consequently, while effective communication can shape how reforms are understood, it cannot, on its own, overcome entrenched scepticism about government motives. Left unaddressed, such scepticism can erode public trust in reforms, even among citizens who may ultimately benefit from them.

The 2024 Finance Bill protests illustrate this dynamic concretely. The *#RejectFinanceBill2024* movement organized largely on TikTok, X and WhatsApp where activists producing short explainer videos that broke the bill's provisions down in plain language reached millions of young Kenyans and shaped the narrative around the Finance Bill, 2024. That narrative combined a substantive critique of the bill's provisions and their likely impacts and a critique of the government's motives. It argued that the bill introduced new taxes on basic commodities, worsening an already difficult cost of living and linked the new tax measures to visible elite consumption and allegations of waste, arguing the bill would fund political patronage rather than genuine public need. However, while intended to inform the public, there were cases of misinformation and disinformation. For example, widely shared social media posts falsely claimed that the bill proposed taxes on mobile money transfers between personal accounts, despite no such provision appearing in the published Bill. The government's response did little to build credibility: rather than offering early, specific, fact-based rebuttals, officials largely characterized opposition to the bill in general terms as a coordinated disinformation campaign. For instance, government officials struggled to consistently explain the rationale, design and operation of the proposed motor vehicle tax, resulting in conflicting public messages that fuelled further confusion and criticism instead of addressing citizens' concerns. As a result, since the government did not provide an equally accessible and credible explanation of the bill's substance early on in the same space as digital activists, the protest movement's narrative became the main public understanding of the bill. That narrative was not simply a matter of who spoke first; it succeeded because it activated a pre-existing cynicism about the government's motives as well transparency and accountability concerns.

Accordingly, the framing of the Finance Bill 2024 as squeezing ordinary Kenyans to fund the political class and public cynicism about government motives reinforced one another. The framing gave concrete form to existing suspicions about government motives, while those suspicions made the framing more persuasive to the public. The protests reflected the interaction between how the Finance Bill was framed and the broader trust deficit that had developed over time. In this context, alternative government messaging faced a credibility gap because many citizens evaluated official explanations through an existing narrative and distrust. That framing, along with Kenya's existing trust deficit, was enough to lead to the bill's withdrawal after nationwide unrest.

This suggests two distinct lessons for wealth taxation. First, the same digital platforms that helped defeat the Finance Bill could equally be used to build support for a wealth tax, if proponents occupy them early with clear, plain-language explanation of what is being proposed and why. Secondly, occupying the space first is necessary but not sufficient. What made opposition framing durable in 2024 was that it resonated with real, pre-existing distrust in the government. As such, communication alone cannot manufacture legitimacy the government has not earned. Building trust is therefore a cumulative, long-term process rather than something that can be achieved through a single reform or communication campaign. However, each reform provides an opportunity either to reinforce cynicism or to begin rebuilding confidence through credible action.

For wealth taxation to build lasting trust, early digital engagement needs to be paired with genuine participatory channels such as public forums where citizens can question officials directly. Government will likely need to make concrete, trackable commitments on how the revenue will be spent, so that government communication about the reform is backed by substance. If citizens can see that commitments made during the reform process are subsequently honoured, successive reforms can gradually strengthen confidence that fiscal policy is being designed and implemented in the public interest. Additionally, the communication strategy should include active taxpayer education on the purpose and benefits of wealth taxation. As Rwanda's experience suggests, taxpayer education can help strengthen tax morale and encourage compliance when citizens understand the rationale for a tax and can connect it to visible public benefits. [31]

To sum up, rebuilding institutional trust in Kenya will take time, but this does not mean wealth taxation must wait. A wealth tax can help build trust if it is introduced transparently, linked to clear public commitments, initially targeted at forms of wealth that are easier to identify and value and supported by regular public reporting. These steps would show citizens that the reform is being implemented responsibly, rather than asking them to trust the government in advance. This way, the wealth tax reform gains credibility while the wider process continues.

8. Conclusion

The feasibility of wealth taxation in Kenya will hinge on the ability to navigate and reshape the political realities that constrain reform, rather than on technical design alone. While international experience demonstrates that wealth taxation can contribute to reducing inequality and strengthening domestic revenue mobilization, Kenya's experience shows that progressive tax reforms succeed only when they are supported by strong political leadership, broad public legitimacy and institutions capable of resisting elite influence. Historical political settlements have entrenched preferential tax arrangements that are difficult to reform, economic elites possess both the instrumental and structural power to resist measures that threaten their interests and declining public trust in government has weakened the social contract necessary to sustain new tax measures. Consequently, wealth taxation should not be pursued as a standalone fiscal intervention, but as part of a broader governance agenda aimed at strengthening equity, transparency, accountability and confidence in the tax system.

This brief's findings indicate that establishing political legitimacy is crucial for the success of wealth taxation in Kenya. This requires moving beyond technical debates on tax rates, valuation methods and enforcement mechanisms to address the political incentives, institutional arrangements and public perceptions that ultimately determine whether reform is feasible. By strengthening the political and social foundations of wealth taxation, Kenya would not only improve the prospects for implementing a progressive tax on wealth but also reinforce the credibility of its broader domestic revenue mobilization strategy and its commitment to a fairer and more equitable tax system. Building durable political momentum and public legitimacy is therefore indispensable to transforming wealth taxation from an aspirational policy into an implementable and sustainable fiscal instrument.

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