

TAX MANAGEMENT FOR NPO's

Presentation By:

DR. GITHAE,

PhD , MBA, Bcom, CPA (K)

Tax & NGO Training Partner

Facilitated by : Shem Murage Tax Director

Matengo Githae & Associates

Head Office: Chaka Place 2nd Floor

Resident office: Lenena Road, Wood Avenue

Tel: 020-2699944

Email: customercare@matengogithae.com

Website: www.matengogithae.com



MEETING TIMELINES FOR TAX

- Deadlines for KRA are:
 - PAYE – 9th day following the month of deduction
 - VAT – 20th day following the month of deduction.
 - WITHHOLDING TAX - 20th day following the month of deduction.
 - EXCISE DUTY - 20th day following the month of deduction.
 - CUSTOMS - at the point of entry in Kenya

PENALTIES FOR NON COMPLIANCE

- VAT & WITHHOLDING TAX – Kshs 10, 000 or 5% of the tax due whichever is the higher and additional interest of 2% per month compounded.
- PAYE – 25% on unpaid tax and additional interest of 2% per month.

VOLUNTARY DISCLOSURE PROGRAM

- Section 79 (4) of the Tax Procedures Bill 2014 states;
‘The amount of a tax shortfall penalty imposed under subsection (2) on a person shall be reduced by ten percentage points when that person voluntarily discloses to the Commissioner the statement or omission to which the section applies prior to–
 - (a) Discovery by the Commissioner of the tax shortfall; or
 - (b) The commencement of an audit of the tax affairs of the person to whom the statement relates,

BENEFITS OF VOLUNTARY DISCLOSURE

- Cost Efficient and improve on long term tax compliance
- Increase tax revenue
- Improve the levels of declaration by taxpayers
- Protects potential buyers from prior ownership liabilities
- Reduced interests and penalties due to a tax payer

Questions & Answers

