Member Proposals on iTax
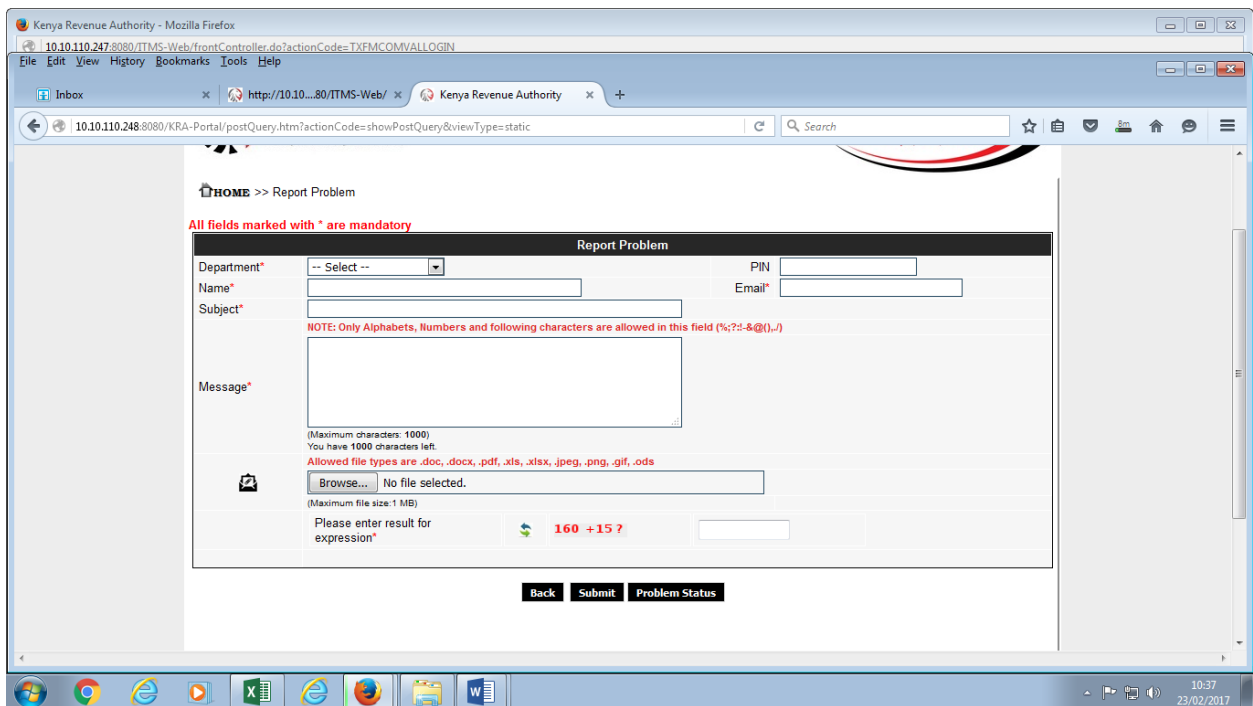September 2016

Challenges with iTax

1. **Technical Support** - Lack of support for technical issues arising from the platform.

   KRA is reviewing its taxpayer support mechanism and currently developing an automated customer solution through which taxpayers issues can be logged and escalated within the authority, depending on such complaint's nature.

   In the meantime, KRA has set up 24 iTax Support Centres whose details are available on the KRA website. In case taxpayer issue is not resolved, the iTax Floor Manager would be in a position to escalate the issue as necessary and issue feedback to taxpayer. Stations also provide such technical support for taxpayer.

2. **Communication**- The communication interface provided for on ITAX is not attended to, hence you cannot be able to engage the support team real-time on ITAX platform. We would appreciate if issues arising from ITAX can be logged in and sorted without the need for us to visit the stations. E.g. the same way the customs system works.

   Currently, 'Report problem' link (see screenshot below)on the iTax portal is being used as a taxpayer support framework and resources have been increased to attend to the queries within 2 days of being logged. Enhancements are however underway to provide for issue tracking mechanisms for iTax customers via a Service Desk Management (SDM) tool.

3. **Interest and Penalties**- There are no clear channels of escalating issues arising from ITAX since most of the staff you referred to either they have no authority or they don't have the knowledge in sorting out the issues at hand. Example; during the roll over in between January and March 2014, we had registered our companies on ITAX Platform. Then during the month of March 2014 the system failed

and we could not be able to file the returns for the month of February online. We did the same manually as per the advice then. Subsequently in the month of April we needed to file the returns for the month of March 2014, the system could not allow us to file the March returns without filing the February

iTax business rules require that once a taxpayer files a return on iTax, no subsequent returns can be filed manually. Nonetheless, as all returns are currently being filed through iTax, no cases such as that highlighted are expected to arise. Nonetheless, transitional challenges that negatively impacted tax payers in 2014 are given due consideration in the event of accrued penalties and interests.

4. **Withholding Taxes** - There were some withholding tax that was paid manually and we have the certificates. While filing the annual returns for individuals the system could not allow one to claim the same in 2014 and 2015. For companies you could be able to claim the same but in the correct way.

   iTax allows claiming of manual withholding certificates in the first return filed in iTax. After a taxpayer commences filing in iTax, it is expected that there shall be no instances of manual withholding certificates due to be claimed, and more so after mandatory filing of returns that followed the August 2015 directive.

5. **Tax Compliance Certificate** – The system allows us to apply for the same online. But the approval rarely comes through the same channels. Most of the times we are forced to follow up in stations to have the same approved. The reason for this is any outstanding issues that you sort out with the team the same is never updated.

   iTax services should be end to end serving (including Tax Compliance Certificate (TCC) processing). KRA has following this feedback issued a directive on SLA period for all processes in iTax including processing of TCCs.

6. **Tax Agent**- In 2nd December 2015 I received letter from the Tax Agents Committee informing me that I have qualified for registration as a Tax Agent. Since then I have never heard from the committee again. We need to have regular communication from the committee regarding any developments.

   The communication issued in this regard served as confirmation of appointment. As an agent, you may proceed to engage your clients. The communication is however being reviewed to guide as such.

7. **Pin number application;** If all requirements for pin number application are satisfied through on-line application; then KRA should automatically approve the application; people still travel to KRA to follow-up on pin number application approval. If need be; KRA should provide space for uploading documents (scanned) i.e. directors pin, certificate of registration, certificate of incorporation for verification purposes.

   Currently, processing of PINs for the same is administered through an end-to-end process at the Registrar of Companies. In the process, a certificate of registration is applied for and passed on to KRA for PIN application and approval. The E-citizen platform is currently being rolled out that will enable automation of the process.

   As corrective action, access has been sought to enable officers verify certificate details used for non-individual PIN registration for cases that fall beyond new applications. This will streamline this process and enable online PIN applications to serve as online applications.

8. **Tax compliance application:** KRA officials delay approval of TCC until they find the tax payer following it up. In most cases they wait for you or just reject for trivial reasons, or even do not indicate the reasons for rejection. They should provide complete explanation on grounds for rejection.

   Reference to 5 above.

9. **Pin base:** Pin base continues to be headache with many tax payers; now that tax payer's details are online; tax payers should be allowed to change their pin base to facilitate easier service delivery; imagine someone in Mandera having pin base in Mombasa! Imagine travelling from Meru to Nairobi for email change approval?

   Enhancements are underway to enable taxpayers change the station with ease. Alongside, SLA periods have been agreed on for each customer iTax service and resources are currently being re-aligned to ensure smooth implementation.

10. **Change of obligation, email address or any other change:** Provide space for uploading scanned documents to save on traveling costs to KRA offices for approval of such changes. Why do I need approval for something like email address change? No logic at all.

    Email changes are currently automatic apart from instances that warrant change of tax station. The dependency on station change is being reviewed in order to increase the number of auto-approved cases.

11. **Cyber:** We appreciate that they are and have continued to assist many tax payers on various issues but I am for the opinion that they should not be allowed to file returns. Many of the operators are not trained as accountants and do not have a clue of what is VAT; income tax etc. Most of them advice taxpayers to file nil returns. Heard one ask; "why should you pay?" others do not pay. I really wonder whether those operators with only computer skills what they know about tax matters. They contributed much to the problems under the ITMS system by registering individuals for obligations not applicable to them i.e. students pin with VAT Obligation; PAYE, TOT etc.

    Cybers operate within a free market that KRA has no authority to limit. However, KRA has educational programs targeted for the public and continues that seeks to limit dependencies on cybers and otherwise encourage self-service in iTax profile management. Cyber attendants are equal targets to such training seminars through which we seek to limit such errors.

12. **Payments at the inception of iTax (during early implementation of tax):** At this time banks were paying through the manual method instead of the iTax payment gateway. We generated payment slips through iTax system, but banks did payment through other KRA accounts. To date the amounts still show Owings to KRA; on following it up with KRA for a number of times, nothing seems to work. Please assist, the documents are ready. They should do reconciliation of both systems since money was paid to KRA accounts.

    KRA has constituted a team that deals with such cases. Complaints that warrant reconciliations should be forwarded to respective tax stations who have guidelines on how to escalate such issues.

13. **Intelligent system – the system is not 100% intelligent:** Sometimes you can do a return with tax amount payable; and then the system tells you that there is no liability to pay. How is it intelligent??? And in some cases the amount in the return differs from the amount reflected when registering for the payment. Have witnessed a TCC expiring the same day it is approved. Intelligent???? Others expiring before due date. Why should it accept applications before expiry of earlier TCC?

    Such are cases triggered by bugs that were witnessed during transition to the iTax platform. They are fixed upon identification and such cases are limited toda.

14. **Non-Acceptance by KRA of iTax problems:** Most of KRA staffs do not admit that the system has weaknesses and challenges. It's like they are trained to say the system is 100 % perfect or they have interacted well with the same. They must appreciate the system has its strengths and weaknesses.

    Noted and agreed.

15. **System Server do not work 24/7:** Many are the times system is not working especially close to a deadline or during weekends. The argument that we should file returns earlier before deadline is nothing but a wrong advice. The system should provide support and work up to the last minute and after deadline.
Admittedly, Kenyans have a last minute culture and ICT works progressively to ensure that the system load is improved to optimal capacity to the customer's satisfaction. In this sense, returns filed per minute during the returns filing season (2015/16) outweighed per minute returns processed in the period 2014/15. The load capacity is continuously being enhanced.

16. **What is wrong with filing the return last day of the deadline?** It is important to say the system does not work as intended at times of deadline. Their reasons are unfounded. **Suppose it was a bank system, could people go home without their cash simply because the systems are not working?**
Refer to response no. 15.

17. **Penalties:** Income tax deadlines for companies for the year ending December is 30th June. This year when filling returns for 2015 well before 30th June 2016, the system was charging a penalty of 10,000. How was this possible and yet the returns were done before the due date? These monies should be refunded to tax payers.
As this is unexpected, kindly provide case study (PIN) for analysis.

18. **Approval of Amended Return** **:** *Some officials assigned the task do not approve amended returns or just do not bother (TPA sect 31; document to be attached?? ICT; scan??)* The challenges i usually face while using iTax platform is about network since sometimes the system do not respond more so during deadline dates and not all ipages are auto-updated after expiry of submission dates. I hereby recommend for the system upgrade in order to solve the problem. About the areas of improvement, I would recommend for tax diversification due to the emerging online businesses which end up un-taxed. Through diversification, it will be possible to lower tax rate on employment income and bridge the gap between rich and poor. When payments are done to a wrong pin but active on iTax and the credits have been used, KRA is unable to reverse the withholding tax. KRA should be able to cancel these withholding certificate issued even if the credits have been used *(capacity building – it is possible to cancel WH cert)* Current iTax only gives the name of individual and not company therefore posing challenges in confirming returns uploaded to iTax. Many organizations deal with so many transactions of individuals having more than one company that use one pin registered under one individual person. I recommend; iTax platform should incorporate the names of companies registered as one-man company using an individual pin no. Every small company should have its own registered pin no. for easy verification before payment.
Recommendations noted. To note though, iTax avails a process for cancelation of withholding tax certificates upon erroneous entry. .

19. Withholding tax on VAT: When a company has been issued with WHT certificates as the withholdee so as to claim. During filling of the return the system rejects the WHT as it has not been issued rather it has. So when one files without the WHT, the return gives the exact tax payable but in registering payment the WHT is deducted hence there's difference in the return and in payment slip.
This occurred due to a system bug that has already been fixed.

20. Income tax individual and TOT: The system restricts one to have either TOT or residential individual return, for a taxpayer who had. TOT obligation after migrating to ITAX and he wants to have residential

individual obligation so as to cancel. TOT, he cannot file previous years of income tax residential as the system recognize him as per the time .He had cancel TOT to income tax residential.
The business process on iTax prior assessments is being reviewed in light of this compliant.

21. <u>Payment registration</u>: When a taxpayer has made a fault in choosing a payment type but the same tax base i.e. instead of self-assessment to installment tax, and the payment has been made already the sum cannot be transferred to the rightful payment type hence a taxpayer needs to pay the amount again.
iTax allows for this amount to be recovered through a refunds process. Nonetheless, enhancement to allow flexibility of 'payment type' is under discussion.

22. <u>PAYE for a sole proprietor</u>: For a sole proprietor who pays PAYE for himself as he receives salary every month, during the year end filling of his .Return he cannot disclose the employment income and the PAYE deducted as PIN of the employer is the same as of the one being deducted PAYE hence a sole proprietor cannot claim the PAYE paid.

23. <u>Penalty and interests</u>: Late payments of self-assessed tax is 20%, plus a 2% interest per month and late filling is subject to 5% penalty a minimum of KSH 5,000 for individuals. But the system charges a higher penalty and interest than the required one. Current iTax only gives the name of individual and not company therefore posing challenges in confirming returns uploaded to iTax. Many organizations deal with so many transactions of individuals having more than one company that use one pin registered under one individual person. I recommend;-> i tax platform should incorporate the names of companies registered as one man company using an individual pin no.Every small company should have its own registered pin no. for easy verification before payment.
Proposal noted for consideration.

24. The income tax act has appointed different agents to administer the withholding of both vat and withholding tax. Among them are the county governments and county assemblies. These entities do withhold vat and remit the same to KRA collection account in central bank. Such payments are not done through iTax platform but paid direct to KRA account in central bank. The problem arises when a contractor needs to claim the same credit when filing returns on iTax. Since the payment did not pass through iTax such a contractor is denied an opportunity to claim the withholding tax credit from iTax. This is because central bank is not listed among the commercial banks in iTax platform. This is really straining the contractors a lot.
IFMIS/ iTax/ CBK integration was rolled out in December 2016. This enables generation of VAT withholding certificates for the suppliers. For past cases, KRA is in the process of reconciling payments as requested and upon issuance of respective documents by the respective entities following which past withholding tax certificates shall be processed.

25. <u>iTax for Charitable Trusts:</u> There are old charitable institutions that were registered via lands office and which subsequently obtained PIN numbers. Unfortunately, there is no option for such Charitable Trusts to be moved on to the iTax platform. The Trust currently recognised under iTax is the one belonging to estates of deceased persons. Charitable Trusts seem not recognised since they are neither formed as Companies under the Companies Act nor as Society under the Societies Act. Since these Charitable Trusts enjoy tax exemption, they risk non-compliance when seeking renewal, in addition to becoming unnecessary liable for late filing of returns. Solution: create this category of tax payer in iTax
Proposal noted for action.

26. Rounding: When submitting returns, iTax recognizes calculations to two decimal places. However, when recording payment registration, iTax rounds up to the nearest whole number. This is throwing up petty amounts as refund or payment due. Solution: make both calculation and payment system round up to nearest whole number thus eliminating this issue.
Noted and accurate proposal forwarded for implementation.

27. First company accounting period greater than 12 months: Newly formed companies can opt to prepare the first set of accounts up to 18 months. iTax only recognizes 12-month period. The way out for taxpayer is to file a first 'nil' return and then the next one as 12 month return even though operations may be up to 18 months. In case taxpayer is unaware, the first 'nil' return causes late filing penalty and then has to be cleared by visiting the KRA offices. Solution: iTax basic registration details should ask for company registration date and business commencement date. Where it determines that this filing is within 18 months, it should obtain additional details as necessary and allow for such filing for period between 12-18 months.
Noted and escalated for consideration by the business team.

28. Training/certification: Some auditors who may be tech savvy, ought to be allowed to access the iTax system and carry out basic changes/amendments eg resetting email address. Solution: identify such menial tasks and formulate a short course. Upon successfully passing, the auditor can be given access for one year and then resit a competency test next year.
The business team has categorized iTax tasks that may be auto-approved such as email amendments and this has been effected. The business review team continuously analyses opportunities that will enhance customer service and experience and seeks to expand such categorization.

29. Wrong auditor certificates: As at 30 June 2016, some companies filed returns indicating the auditor's PIN where such an auditor had not issued a report since the taxpayer was not a client of the auditor. iTax notifies the auditor when returns are filed under his name. Upon such an incidence, the auditor is left struggling to advise the KRA of such anomaly and incurs unnecessary constraints to rectify a situation which is not of his making. The taxpayer obviously gets away having filed his returns in a timely manner in iTax! Solution: the notification to auditor should ask for auditor to confirm into his own iTax portal such notice. Upon doing so, an automated response can go out to both taxpayer and auditor. Where the auditor declines or refuses to confirm notice, the taxpayers return should remain unfiled.
Brilliant suggestion to be adopted for implementation.

30. Withholding tax: When recording withholding tax payment, iTax asks for date of payment. Isn't tax incidence 20th of following month based on invoice date or payment whichever is the earlier?
This refers to the date when payment was made to the supplier.

31. Withholding tax on interest: Interest earned on bank deposits is subject to withholding tax which is final tax for individuals. Since bank deposits are linked to taxpayer PIN, individuals receive withholding tax credit on their iTax account. However, this is meant to be final tax. It seems this will now force taxpayers to declare interest income in full and thus cause tax due since only 15% is deducted at source. Solution: iTax ought to recognise that withholding tax deducted can be final tax
Use of web form when generating payment registration numbers for withholding tax payments requires specification of such 'nature of transaction'. In such instances, it is treated as final tax. The banking sector has been identified for this capacity building in order to avoid such errors.

32. <u>Filling PAYE monthly return:</u> PAYE return does not categorize benefits such as furniture, telephone. Deductions against basic pay such as absenteeism is also not recognized
Such are provided for under 'other' (covers benefits that have tax implication).

33. <u>Customs payment:</u> Where taxpayer imports goods and uses cargo agent, the agent will pay VAT on taxpayer's behalf without generating payment through taxpayer iTax. As a result, taxpayer cannot claim VAT on imports and neither is credit reflected on taxpayers account. The taxpayer is therefore forced to register payment then seek assistance of KRA to match the two. Solution: allow taxpayer to receive credit on VAT account in a similar way to withholding VAT at the moment.
The case sample to be provided for comprehensive analysis of the issue.

34. When filing the returns one cannot do a prior ITax self-assessment which means one has to always visit the KRA offices. A tax payer should be able to file Prior ITax self-assessment on this platform.
Taxpayer may obtain such support from any tax station and not necessarily one's tax station. The taxpayer may not initiate it as it may need attachments to support such payments whose debits may not be visible to the taxpayer.

35. A tax payer should also be able to access his statement even before the ITax period. One is not able to know his tax status unless he visits the KRA offices. I believe the tax payer should be able to access his statement even before the ITax period for him to know his status. This will facilitate increase in tax collection. In prior system a taxpayer was able to an amended return and the system would approve the return. Currently for ITax those amendments take time before approval. The system should do an auto approval of the amendment because of time effect.
iTax allows auto-approval for cases that lead to increased tax liability. However, decrease in tax liability creates a task for analysis by an officer prior to approval.

36. In filling of individual returns on employment, those who initially had their PAYE paid using the old regime have tax balances yet they have been paid. These payments should be in such a way the PAYE deducted is off set both in the old regime and in ITax.
Reconciliation of PAYE payments made via the former system are reconciled upon presentation of documentation of proof and filing of proper PAYE returns for respective periods by the employer in iTax, indicating all employees whose deductions were made in the respective periods. Following this, the employees' ledgers will be credited with respective payments.

37. Sometime any interaction with KRA takes time before it is handled. One is not able to identify the officer it has been assigned to. The system should notify the taxpayer who the responsible officer is so that there is easy follow-up and also save and time
iTax shall be enhanced to include the physical address and contacts of the station that dealt with the task. Nonetheless, SLA periods for various tasks shall be implemented and communicated to taxpayers to improve their customer experience.

38. The amendments of the Companies Act 2015 on statutory audits reduced the client base on small practicing firms. If the review of the Income Tax Act does not recognize the role of an auditor, then our institute will become irrelevant since 90% of our work deals with taxation and without any regulating authority anybody can practice as a tax consultant without being a member of ICPAK.
KRA has a tax agent regulation to protect appointed agents.

39. KRA should take an initiative and sort out this problem in iTax platform. It may take time before such payments made in KRA collection account are allocated to individual tax -payers and such amounts to reflect in their ledgers in iTax. Paying of tax should not be made difficulty as it is now.
In instances where returns are properly filed and taxpayer's PINs are properly declared, tax payments are reflected on taxpayers' ledgers real-time.

40. Contractors should not suffer due to system challenges which KRA should have sorted out. Particularly on my side while interacting with ITax I wonder when information prior to 2015 that is currently available in the so called legacy system, When will it be easily accessible online without visiting KRA when sorting tax matters. The iTax system has made filling returns easy and also provide records for previous fillings through the ledgers.
Currently, iTax and legacy system are not merged hence making legacy details invisible to the taxpayer. However, KRA is working towards migrating legacy data to iTax system to allow single view of a taxpayer's records.

41. I would really advocate for them to send the VAT withholding certificate to both the parties just like they do for the other withholding instead of sending an email with the instructions of downloading the certificate. One of the challenges we have experienced on *iTax* platform is that, Central Bank of Kenya is not listed as one of the beneficiary banks. This problem is particularly faced by government entities especially county governments which have their operational bank accounts with CBK. As a result, most county governments have not been able to utilize fully the services offered on *iTax* since tax payment is paid from one CBK account to another CBK account
IFMIS/iTax/CBK integration was rolled out in December 2016 after which withholding certificates are generated for parties including those transacting with government entities.

42. The iTax platform has proved to be efficiency in tax collection, however one of the challenge experienced by public sector institutions is that their transactions pass through Central Bank of Kenya accounts which is not integrated with iTax system. This has proved hard in production of Withholding certificates which has to be done manually hence providing a loophole. Why can't the KRA integrate the CBK account with iTax like the other commercial banks to avoid this?
IFMIS/iTax/CBK integration was rolled out in December 2016 after which withholding certificates are generated for parties including those transacting with government entities.

43. Issues faces with iTax platform is the inherent hanging and slowness of the system, especially during peak periods when there is bulk submission of returns. Recommendation - enhancement of the system to enable faster processing hence avoidance of unnecessary delays.
Ref to no. 15.

44. On filling returns in ITax amended returns are not reflected in the individual taxpayer's ledgers, this could lead to distortion of information presented in a taxpayer's ledger. My personal experience with the iTax was that it is complicated for the common person should simply the form to just the relevant information that could fit all in one page. Simply have the annual gross income and the tax paid. Once you log in everything on income tax should be displayed
Noted for review by the continuous improvement team. .

45. In regards to ITax Practical Challenges, personally, I wish to contribute to one of its Challenges being the System not being able to Upload already filled excel data forms. This in turn has led to filing late returns and in turn KRA Automatically levies PENALTIES for late filing of return. of which is not as

a result of taxpayer but because of their system failure. I think this should be addressed and a solution arrived at so that tax payers don't bear the un-necessary penalties

The excel form should be validated before uploading after which it shall load.

46. Linking ITMS (old system) with iTax. Details of tax liabilities and tax paid in the old system are not available in iTax therefore causing compliance issues e.g. PAYE paid by employer not fully captured in iTax leaving the employee with tax payable upon filing the return.

KRA is working towards reflection of past records within iTax in order to ensure single view of taxpayer's transaction history.

47. There is no provision for capturing overpaid tax in previous returns in the current return for income tax.

Sheets F to J of the Income Tax return allows capturing of credits recognized for transactions within iTax.

48. Compliance certificate application not being acted on until follow-up is made.

Ref to no. 5.

49. Financial year end where iTax presume calendar year end and one have to follow-up for the change.

Cases of accounting period end(s) are as a result of incorrect data on the same held in previous KRA systems. Correction of the same is being done following a request made to respective tax station.

50. Partnership income tax returns require the pin of an auditor for filing whereas under Kenya laws it's not a requirement for partnerships to be audited.

Need for clarification on specific Law being referred to.

51. Slow approval of tax compliance certificate

Ref to no 5.

52. Process of cancellation and approval of WHT Certificate and how a new WHT is issued

Cancellation of withholding tax certificate is initiated by the withholder and approved at respective tax station. Recovery of the amount then follows a refunds procedure within iTax. Taxpayer may in the meantime generate a new WHT payment registration bearing correct details and a new withholding tax certificate shall be issued to respective supplier.

53. WHT Certificates not generated by iTax despite filing and making payments

Ref to no. 41.

54. Non reconciliation of manual PAYE payment and iTax system which affects employee's individual returns i.e. individual returns reflecting principal tax not paid whereas employer made the payment

Ref to no. 36.

55. ITax system sometimes is slow or not working at all

Ref to no. 15

56. KRA staff don't assist in solving iTax issues i.e. it makes a tax payer visit tax station several times and no assistance is forth coming

The complaint is noted and appreciated. There has been immense efforts recently to build staff capacity on iTax in order to improve customer service delivery. The situation though can be improved and this is noted for monitoring and evaluation and resolution as necessary..

57. Below are recommendation that can improve iTax-ITax system can be user friendly than it is currently -KRA should train its staff on iTax some staff members don't have clue on some areas of iTax-Public awareness on amended returns need to stepped i.e. many people don't know how to correct returns which have errors.
With reference to number 56, the issue on returns filing is noted for enhanced capacity building.

58. I experienced problems with payment system. The current platform provides or option to make Rental income payment through Electronic bank transfer. I used this system when making payment for a client but it did not work. It was not clear if it didn't work because the payment was being drawn from my bank but payment being done for somebody else, or, my bank (Barclays) was the issue. I repeated the process 2 times and each time I got a payment confirmation from the system but no debits done on my account.
Issue to be forwarded for further analysis and consultation with the respective bank.

59. The system does not accept Rental income for past periods. This is not good for the Revenue authority as they miss to collect income
Rental income may be accounted for in the Income Tax returns forms for post-iTax periods. For previous periods, the same may be captured with facilitation of the Returns Processing units and payments made through iTax under 'iTax prior'.

60. Individual annual return system does not provide report to the tax payer on their status after filing the returns.
iTax sends an E-return acknowledgement to taxpayer's respective mail after filing of any return in iTax. The same may also be confirmed through 'Consult Tax Return' under the 'Returns' menu in iTax.

61. Proposed areas of improvement for the iTax platform: Review the system to allow individuals to run their annual tax return; The system should allow individuals to see details of all other taxes remitted on their behalf; The system should allow members to make online claims or payments on net income tax; Revise the problems on Rental income tax challenges and allow for payments on behalf clients; Revise the Rental income platform to accept past period payments. They can include build in a penalty/interest charge
iTax allows for each of the above functions. Payment remittances may be confirmed through 'iTax ledgers', claims may be done through 'Refunds module' in iTax, payments may be made on behalf of cleints if one has been appointed as the agent by the client.

62. While filing for vat for my company period February 2016 I had withholding certificate when I filed it it back dated to September 2015 where the system charged interest and penalty later for late filing yet it was done before 20th of march I went to Nakuru office I was told it was a bug and as of today they have not corrected the error.
This was indeed a system bug that has since been resolved; withholding tax is accounted for in the period PRN is generated and paid.

63. The other is payment not reflect in iTax ledger account this occurred last year August I went to Nakuru office and provide all the details about the transaction even the bank transaction details and bank

statement they received a copy and promised to work on it. I have gone their countless times and nothing has been done as of today

This is a case of manual reconciliation whose application is made through one's respective tax station. As this appears to have already been done correctly as guided, the case should be provided for prompt analysis and follow up.

64. The iTax platform has proved to be efficiency in tax collection, however one of the challenge experienced by public sector institutions is that their transactions pass through Central Bank of Kenya accounts which is not integrated with iTax system. This has proved hard in production of Withholding certificates which has to be done manually hence providing a loophole. Why can't the KRA integrate the CBK account with iTax like the other commercial banks to avoid this?
Refer to no. 41.

65. Sometimes payments by bank or M-pesa have network delays especially on the last day, then clients are penalized yet they paid on time. One case is where you pay VAT by M-pesa on 20th it is shown as having been send to KRA then the amount is reversed by M-pesa after 4 days indicating the payment did not go through hence attracting penalties.
This was reported and enhancements made to the platform in October 2016. Cases reported then after have been minimal. Penalties on such cases shall be given due consideration upon application of waiver. Nonetheless, we shall seek to ensure quality assurance checks are performed regularly.

66. Compliance certificate takes to long to be approved by KRA, how I wish it was self-approving when there are no issues,so that KRA staff only intervene when there are issues to be addressed.
Ref to no. 5.

67. Withholding agents especially County Governments and ministries do not post and pay 6% VAT and 3% contractual fee in good time, (*escalated for follow up by respective office*) in some cases they do not pay at all hence disadvantaging the client I tax does not calculate personal relief as part of the year when an employee has not worked for a whole year,it give full relief of kshs 13944.
Relief is attributable to the whole year even in such instances.

No. 68:

	ITAX ISSUES & PROPOSED SOLUTION		
ITEM	**PARTICULARS**	**SUGGESTION**	**KRA RESPONSE**
Returns	Window to upload bulk data	iTax should make work easier by creating window to upload data	*A CSV has been provided to allow for importation of bulk data.*
	Save mode for data entered	Whenever data has been entered and system abort it should be safe	*iTax allows one to download and fill excel forms offline whose contents remain saved until one is ready to validate and upload the zipped folder on live environment.*

Payment	Mpesa option	The option is still not working its good for paye& advance tax for small tax payers	*The M-Pesa option has been undertaken through enhancement and is better performing. Nonetheless, this is noted for escalation to the team.*
VAT Returns	With holding retained by agents	iTax will only prompt after payment in the following month hence the seller is forced to pay	*Withholding taxes are only acknowledged following payment by the withholder upon which WHT certificates are generated and sent to withholdee for declaration in respective return.*
iTax system	Highly congested	System to be improved further in order to enhance efficiency	*Ref to no. 15.*
language	Barrier to some traders	System should be in multi language to minimize agency opression in filing returns	*Noted for consideration.*