

iTax Changes and Advancements

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Tax Incentives under iTax



iTax is a web-enabled and secure application system that provides a fully-integrated and automated solution for administration of domestic taxes.

Enables Taxpayer internet based registration, filing, paying and status inquiries with real-time monitoring of accounts.

Provides a linkage between front office and back office processes thereby enhancing customer experience and tax compliance.

- *Registration*
- *Status Inquiries*
- *Filing*
- *Payment*

Tax Incentives under iTax



1. Reduced cost of tax administration both for KRA and the Revenue Authority
2. To improve business processes and efficiency.
3. To improve transparency in tax administration
4. To enhance customer service
5. To increase level of tax compliance and ultimately, increase revenue collection
6. Improve doing business ranking :-
 - Reduced compliance time for taxpayers
 - Reduced compliance Costs for taxpayers.
 - Reduce the cost of collecting Tax.
 - Simplified tax procedures.

Recent Changes in iTax



- Simplification of IncomeTax and VAT returns to allow capturing of lumpsum WHT, Advance Tax and WVAT credits.
- Twinning of CGT and Stamp Duty
- Unified Payroll Return(Integration with NSSF)
- Amendment and Cancellation of a payment slip for WHT, WVAT, Rental Income WHT and Advance Tax
- Tax type specific passwords
- Branch filing and payments

Recent Changes in iTax



- iTax Mobile app for filing nil returns for all tax obligations except IT2C, generate payments for Monthly Rental Income after the return has been filed through the web portal.
- County Revenue Collection Module to collect County Revenues like Land rates and SBPs
- Phase One of the Amnesty Return on foreign income already delivered.(Amendment of the return and other stakeholder views to be implemented). Delivery of the complete module ongoing

Recent Changes in iTax



- *LLPs new PIN registrations*
- *Application for Tax Agents Certificate*
- *Application for excise licence*
- *New Tax rates as per the Finance Act 2017-PAYE, Gaming Taxes*
- *Loading of exemption certificates in iTax for Persons Living with Disability and Charitable Organizations which system validates upon filing of the returns.*
- *Delinking of Registration and Resident status-both ITR and ITNR available to a taxpayer*
- *Continuous aligning of iTax to the TPA provisions and other Finance Acts and Legislative changes-excise, VAT on petroleum products*

Recent Changes in iTax



- *Prepopulated ITR and ITNR for employment Income Only for those employees whose PAYE was paid through iTax*
- *Separation of Commercial and Residential Rent during with holding by the appointed tenant*
- *Payment slips no longer requiring selection of bank*
- *Making payments against an agreed payment plan, agency notice and auction notice(Enhanced Debt Enforcement Module)*
- *Application for With holder VAT refund once the cancellation has been done*

Recent Changes in iTax



- *Auto generation of Additional Assessment for VAT Mismatched invoices(VAT Auto Assessment-VAA)*
- *Management of sub agents by registered Tax Agents*
- *Debit Adjustment Voucher for credit reductions of perpetual credit filers*

Upcoming Changes in iTax



- *iTax Prior Credit Credit c/f Adjustments*
- *Advance Payment Setoff Change*
- *Tax representative to be able to file and make payments for different Non Resident clients(Separate ledgers)*
- *Simplification of the MRI*
- *LLPs update of iPage and filing of IT2P returns*
- *Simplification of returns eg IT2P*
- *Tenant WHT back office processes-WHT certificate and agent cancellation*
- *Generation of WHT adjustment Voucher*

Upcoming Changes in iTax



- *Foreign Income Amnesty Functionality*
- *Mobile App for TCC application, PIN/TCC/WHT checker*

Declaration and Filing Clarifications



- *Declaration of losses carried forward in Income Tax Returns*
- *Declaration of WHT credits in the IT2P returns and subsequent transfer of the credit to the partners ledger and the filing of the Partners Income Tax Returns*
- *Erroneous usage of the special credits field in the IT2C returns*
- *Declaration of lumpsum payments, gratuity and arrears in the PAYE return.*
- *Declaration of exempt income for SACCOs and Registered Retirement benefits Schemes*

Future iTax System Integrations



- *iTax IFMIS CBK Phase 2 to handle PAYE, WHT, Rent Income WHT, including integration with IPPD*
- *Others include E promis, NTSA, e citizen, NHIF, ICMS, KEBS, Housing Levy etc*

Questions and Answers