



# **iTax**

*Simple, Swift, Secure*



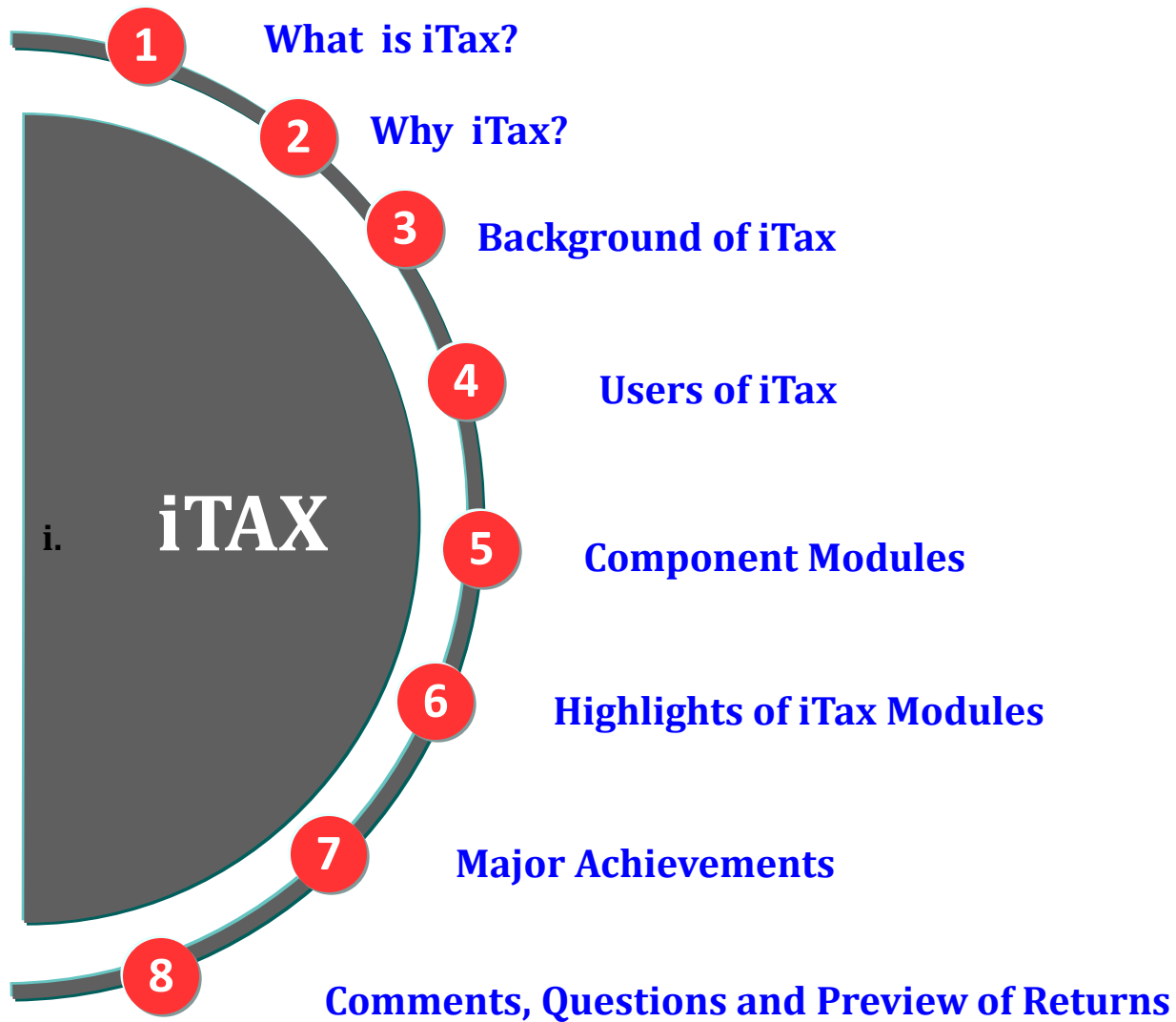
KENYA REVENUE  
AUTHORITY

# INTEGRATED TAX MANAGEMENT SYSTEM (iTAX)

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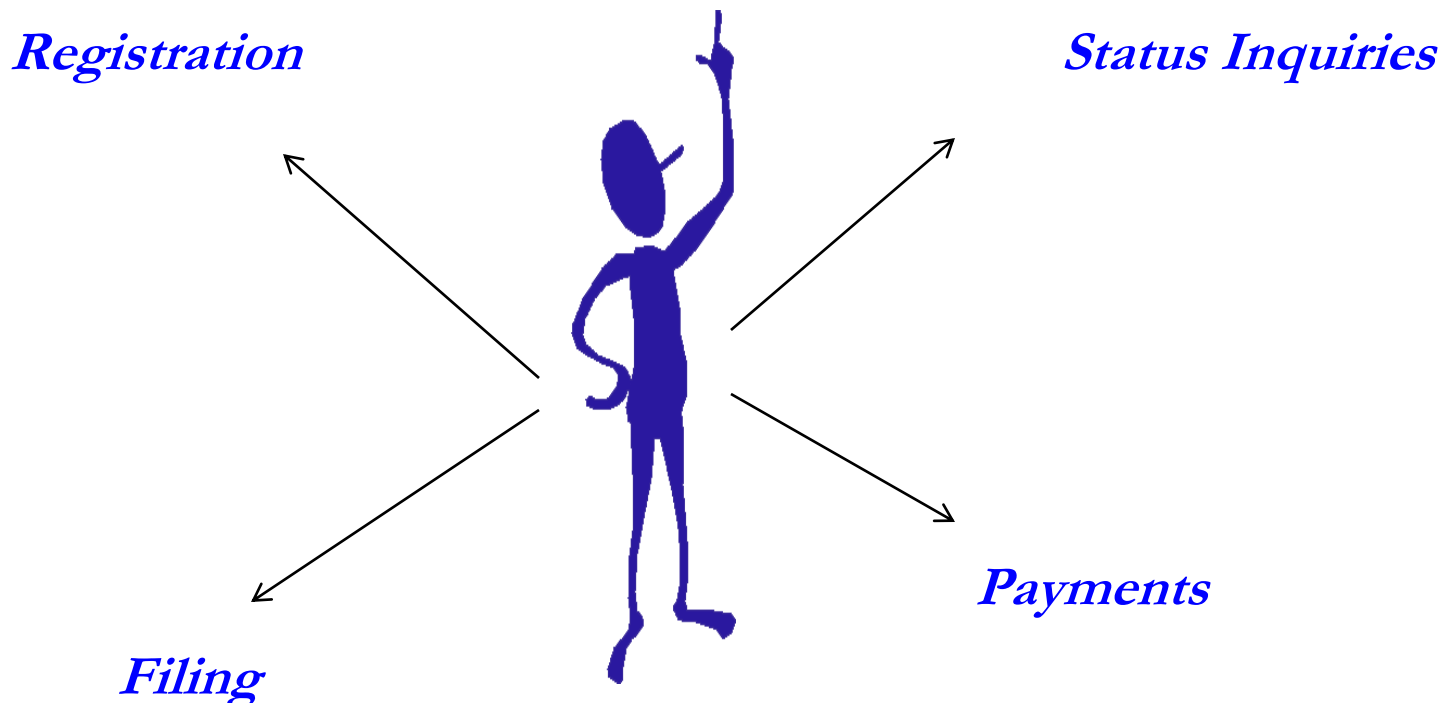
## ITAX 101 TRAINING

# AGENDA



## What is ITAX?

- 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.



## Why iTAX? iTAX is here to:

1. Simplify tax processes and make it easy for Taxpayers to comply
2. Shorten time taken to extract data & information on revenue
3. Reduce time taken by Taxpayers when dealing with KRA
4. Re-engineer business processes for effectiveness & efficiency
5. Enhance the ability/accuracy of KRA/Taxpayers to account for taxes
6. Increase revenue collection as a result of the above

## Background of ITAX

- The Domestic Taxes Department has existed Since 2004 when the VAT and Income Tax Departments were merged.
- While this merger created improved results for management, it faced the challenge of parallel ICT systems that were designed to take care of the needs of the departments separately.
- One needed to navigate out of each application in order to gain access to the alternative application for VAT and Income Tax. This situation denied users the benefits of an integrated view of a taxpayer.
- It was therefore found necessary to implement a system that will provide an integrated view of the taxpayer hence the decision by KRA/DTD to implement the iTax project.

## Background of iTAX

- KRA has contracted an internationally renowned IT firm to assist in the development of the product.
- Branding under the name iTAX was necessary to eliminate confusion e.g. ITMS etc
- ITAX development begun in September 2007 under the name ITMS and comprises the following 18 modules.
- iTax project is being implemented in 2 phases as follows;  
Roll-Out part I – Registration, Filing, Payment  
Roll-Out part II – Back office processes including TPA, TCR, D&E, C&M, TSS among others

# Component Modules

No.	Acronym	Module Name
1	TRE	Taxpayer Registration
2	TRP	Tax Return Processing
3	BCL/CCRS	Payments /Bank Collection
4	TPS	Taxpayer Services
5	POT	Portal
6	TPA	Taxpayer Account
7	C&M	Compliance & Monitoring
8	D&E	Debt & Enforcement
9	TC&R	Tax Credits & Refunds
10	TSS	Technical Support Services
11	AUD	Audit
12	PPP	Payment Processing Plan
13	MSR	Management Statistics & Reports
14	WFM	Workflow Management
15	CPM	Central Parameters Management
16	EIM	External Information Management
17	SEM	Security Management
18	DBM	Database Management





# Users

- All Taxpayers
- KRA Employees
- Key Stakeholders
  - ✓ National Registration Bureau & Company Registry
  - ✓ National Treasury
  - ✓ ICPAK members
  - ✓ Banks on Payment Gateway
  - ✓ Ministry of lands
  - ✓ Ministry of Foreign Affairs
  - ✓ Kenya Bureau of Standards
  - ✓ NSSF

## HIGHLIGHTS OF iTAX Modules : TRE (Taxpayer Registration)

- An up-to-date register will be maintained in iTax of all the tax agents registered with professional bodies e.g. ICPAK and LSK. Taxpayers will only be able to select from the list available in the system.
- Tax agents will have their own log in access to enable them transact on behalf of their clients. The agents will have single view of all taxpayers that have appointed them in the system.
- Intermediary Agents to be registered in ITAX
- iTax will notify auditors to authenticate Financial Statements submitted to KRA.
- Verification of Registration details before issuance of PIN
- Unique e-mail address per PIN
- Cell Phone Mandatory i.e. SMS Broadcast
- County of Principal Business to be declared on registration
- Registration is not required for payment of agency revenue

## **HIGHLIGHTS: TRP (Tax Return Processing)**

- iTax has been rolled out to MTO and LTO taxpayers. Registered taxpayers are already filing VAT and PAYE and making payments.
- Electronic Filing based on Excel/Open Office
- Excel is Simple and Light
- Excel provides for large data capture
- Provision for Branch Filing (VAT & PAYE)

## **HIGHLIGHTS: TPA (Taxpayer Account)**

- PAYE deductions posted to Employee Ledger
- Employee Visibility of Ledger
- Immediate Electronic Ledger update
- Secure Portal Access by Taxpayer

## HIGHLIGHTS: BCL (Payments/Bank Collections)

- 15 banks have been integrated with the payment gateway system thus enabling taxpayers make payments conveniently via online banking, cash, cheque and RTGS.
- KRA is in the process of fast tracking the delivery of WHT, such that;
  - ✓ WHT Certs generated electronically in iTAX
  - ✓ WHT Certs to be serialised
  - ✓ WHT Certs issued after payment
  - ✓ WHT Checker to be placed in Portal
- Payments of VAT on imported Services is being collected under BCL
- Agency Revenues e.g. Shipping Tax, Land Rent, Stamp Duty, Transmission of Messages etc to be collected under BCL

# HIGHLIGHTS: TPS (Taxpayer Services)/Portal Services

- ❖ PIN Application
- ❖ PIN checker, WHT Certificate Checker, TCC checker
- ❖ Generate E-Slip
- ❖ Electronic filing and amending returns using Excel
- ❖ View Taxpayer Account/Ledger
- ❖ E-Query
- ❖ View Tax Returns Filed
- ❖ Consult Status of Cases on Compliance, Debt, Audit
- ❖ Request for TCC
- ❖ Make Application for Refund
- ❖ Make Application Transfer of Tax Credits
- ❖ Make Application for Payment Plan
- ❖ Make Application for Waivers and Write Offs



## OTHER HIGHLIGHTS

- Reduction of Refunds backlog by allowing taxpayers to utilise approved refunds to offset other tax liabilities.
- Electronic waiver & Write-off applications , processing and Approval
- Electronic Application, Approval and Monitoring of Payment plans
- Electronic Application and Issuance of Exemption Certificates
- Court, local committee and Tribunal's records maintained in iTAX.
- Investment Deduction Allowances will be monitored and tracked in the system.

# MAJOR ACHIEVEMENTS

- iTax has been rolled out to MTO and LTO taxpayers. Registered taxpayers are already filing VAT and PAYE and making payments.
  - KEBS and SDL are rolled out and being paid through iTax.
  - Phased Approach of the roll out to the other stations.
- The first round of Country wide iTax sensitizations has been done. The second round of National sensitization and stakeholder sensitization is on going.
- 15 banks have been integrated with the payment gateway system thus enabling taxpayers make payments conveniently via online banking, cash, cheque and RTGS.
- System Security – There's an ongoing initiative to integrate iTax with Public Key Infrastructure(PKI), Point to Point Connectivity between KRA and the partner banks.
- Other initiatives to be implemented alongside iTax include E-invoicing, Remote ETR and SMS enquiries and notifications and mobile-phone payment.

*“When iTAX is fully implemented our approach is expected to change from “waiting for taxpayers to come to our offices for services” to “taking the services closer to them by enabling them to transact with us from the comfort of their offices or homes”.*



**THE END**

**COMMENTS AND QUESTIONS**



**THANK YOU**



**KENYA REVENUE  
AUTHORITY**