



**KENYA REVENUE
AUTHORITY**

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LEGAL NOTICE NO.....

THE INCOME TAX ACT

(Cap. 470)

**THE INCOME TAX (RESIDENTIAL RENTAL INCOME TAX)
REGULATIONS, 2026**

Regulation

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Tulipe Ushuru, Tujitegemee!





THE INCOME TAX ACT	
(Cap. 470)	
IN EXERCISE of the powers conferred by section 130 of the Income Tax Act, the Cabinet Secretary for the National Treasury makes the following Regulations—	
THE INCOME TAX (RESIDENTIAL RENTAL INCOME TAX) REGULATIONS, 2026	
Citation	1. These Regulations may be cited as the Income Tax (Residential Rental Income Tax) Regulations 2026.
Interpretation	2. In these Regulations, unless the context otherwise requires— "gross rent" means payments received from a right granted to another person for use or occupation of immovable property which includes rent, premium or similar consideration received for the use or occupation of property; "return of income" means a return of income furnished by a person chargeable to tax under these Rules; "tax period" means a calendar month; "property" means a building occupied as a residential house; "residential rental income tax" means tax payable under section 6A of the Act; and "year of income" has the meaning assigned to it under the Act.
Application	3. (1) These Regulations shall apply to ----- (a) a resident person who accrues or derives income from Kenya for the use or occupation of residential property; and (b) the income is in excess of two hundred and eighty-eight thousand shillings but does not exceed fifteen million shillings during any year of income.



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	<p>(2) These Regulations shall also apply where the rental property is owned by a partnership.</p> <p>(3) These Regulations shall not apply to a person whose income is exempt from tax under the First Schedule to the Act.</p>
Exclusion from residential rental income tax	<p>4. (1) A person who opts not to be subject to the residential rental income tax shall notify the Commissioner, at least three months before the end of the year of income.</p> <p>(2) The Commissioner shall within sixty days from the date of receipt of such notice acknowledge receipt of the notice, in writing.</p> <p>(3) Where the Commissioner fails to acknowledge receipt of the notice within the time specified in sub-regulation 4(2), the Commissioner shall be deemed to have received the notice.</p> <p>(4) The option not to be subject to residential rental income shall take effect in the subsequent year of income.</p> <p>(5) Where a person is subject to residential rental income tax and during a year of income the rental income exceeds fifteen million shillings or that person has reason to believe that the residential rental income is likely to exceed fifteen million shillings, the person shall inform the Commissioner of that fact before the end of that year of income.</p> <p>(6) Any person who fails to notify the Commissioner as required under sub-regulation (5) shall be guilty of an offence under the Act.</p>
Finality of the Residential rental income Tax	<p>5. Any income that is subject to residential rental income tax shall not be liable to any other tax under the Act.</p>
Records Cap. 469B	<p>6. A person subject to residential rental income tax shall be required to keep records necessary for the determination and ascertainment of the tax in accordance with section 23 of the Tax Procedure Act.</p>



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Registration of residential property	7. A person with income chargeable to residential rental income tax shall register such property in an electronic system prescribed by the Commissioner.
Submission of returns and payment of tax	8. A person subject to residential rental income tax shall submit a return and pay the tax due to the Commissioner, on or before the 20 th day of the month immediately following the month which the rent was received.
Penalties Cap. 469B	9. A person who fails to comply with regulation 8 shall be liable to the penalties prescribed in Tax Procedure Act.
Inspection of records	10. For purposes of obtaining full information in respect of accounting for residential rental income tax under these Regulations, the Commissioner may by notice require any person to— (a) produce books and records relating to the computation the tax; or (b) appear at such time and place as may be specified in the notice; or (c) update property details in the electronic system prescribed by the Commissioner.
Deductions	11. No expenses or capital deductions allowances shall be deducted while computing the tax.
Disputes	12. Any dispute arising from the administration of these Regulations relating to the assessment of tax shall be dealt with in accordance with the provisions of the Tax Procedure Act.
Revocation L N 106 of 2016	13. The Income Tax (Residential Rental Income Tax) Regulations is hereby revoked.

Made on, 2026.

JOHN MBADI NG'ONGO,
*Cabinet Secretary for the
National Treasury.*