



LEGAL NOTICE NO.....

THE INCOME TAX ACT

(Cap. 470)

**THE INCOME TAX (SET-OFF TAX REBATE FOR GRADUATE
APPRENTICESHIPS) REGULATIONS, 2026**

THE INCOME TAX ACT	
(Cap. 470)	
IN EXERCISE of the powers conferred by section 39B(2) of the Income Tax Act, the Cabinet Secretary for the National Treasury makes the following Regulations—	
THE INCOME TAX (SET-OFF TAX REBATE FOR GRADUATE APPRENTICESHIPS) REGULATIONS, 2026	
Citation	1. These Regulations may be cited as the Income Tax (Set-Off Tax Rebate for Graduate Apprenticeships) Regulations 2026.
Interpretation	2. In these Regulations, unless the context otherwise requires- <p style="margin-left: 40px;">"graduate apprentice" means a university or technical and vocational education and training graduate who is bound by a written contract of apprenticeship to serve an employer for a period of six to twelve months during any year of income;</p> <p style="margin-left: 40px;">"contract of apprenticeship" means a written agreement which provides for specific terms of apprenticeship and employment including but not limited to job training;</p> <p style="margin-left: 40px;">"Director-General" means the Director-General appointed under section 4C of the Industrial Training Act;</p> <p style="margin-left: 40px;">"employer" has the meaning assigned to it under the Industrial Training Act (Cap. 237):</p> <p style="margin-left: 40px;">"tax rebate" means an allowable expenditure that is in addition to the expenditure already allowed under section 15(1) of the Act; and</p>
Cap. 237	
Cap. 237	



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Eligible employer	3. An employer who is subject to tax under section 3 of the Act, other than an employer whose income is wholly exempt, shall, subject to section 39B of the Act, be eligible for a tax rebate.
Engagement of an apprentice	4. An employer shall not engage graduate apprentice without the written permission of the Director-General.
Contract of apprenticeship	5. (1) An employer shall, before engaging a graduate apprentice, enter into a contract of apprenticeship with the graduate apprentice for a period of apprenticeship of six to twelve months and register the contract with the Director-General. (2) A contract of apprenticeship shall not be binding unless it has been registered by the Director-General.
Issuance of apprenticeship certificate	6. (1) An employer of an apprentice shall, on satisfactory completion of the apprenticeship, submit a certificate of completion in the prescribed form, to the Director-General and issue a copy of the certificate to the apprentice. (2) The Director-General shall, upon receiving a certificate of completion under sub-regulation (1), issue a certificate of apprenticeship to the apprentice.
Reports to Commissioner	7. The Director General shall submit to the Commissioner, on a quarterly basis, a report containing - (a) particulars of employers, including their Personal Identification Number; (b) particulars of the apprentices, including their Personal Identification Number; (c) number of apprentices engaged by each employer: and (d) duration of engagement of each apprentice.
Maintenance of records	8. An employer who is eligible for deduction of a tax rebate under these regulations shall maintain certified copies of the contract of apprenticeship and the apprenticeship certificate for every apprentice certified



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	by the Director General for a period of 5-year from end of year of income.
Deduction of tax rebate	9. Notwithstanding section 15 of the Act, an employer shall, subject to regulation 7, deduct a tax rebate equal to fifty percent of the amount of salaries and wages paid to apprentices.
Restriction of deduction of tax rebate	10. No rebate shall be deducted on account of emoluments paid to an apprentice who is engaged for a period of more than twelve months .
Revocation L N 97 of 2016	11. The Income Tax (Set-Off Tax Rebate for Graduate Apprenticeships) Regulations is hereby revoked.

Made on, 2026.

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