




Frequently Asked Questions on Excise Duty



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Tulipe Ushuru, Tujitegeme!

Q. What is Excise duty?

A. Excise duty is a tax imposed on goods and services manufactured in Kenya or imported into Kenya and specified in the first schedule of the Excise Duty Act (2015).

Q. Does water attract excise duty?

A. Only bottled or similarly packaged waters attract excise duty.

Q. Is Excise duty applicable to those in water refill business?

A. Yes. All persons in the business of bottling (including through refilling) or packaging water are required to obtain an excise license from KRA as a prerequisite for charging and remitting excise duty.

They are also required to affix excise stamps on each bottle that has been refilled or packaged.

Q. What is an excise stamp?

A. An excise stamp is a type of revenue stamp affixed to some excisable goods to indicate that the required excise has been paid by the manufacturer.

Q. How does one get the excise stamps?

A. Excise stamps are issued by KRA to licensed persons only. Applications for excise stamps are made through the EGMS system. However, a person can initiate the process at an EGMS Service Desk in the various KRA Tax Service Offices.

Q. How do you get an Excise license?

A. To obtain an Excise license you can initiate the process on itax by clicking on the registration tab after you log in. Then select other registration, and click on Excise license. Fill in the details and submit. The requirements to get the license are listed on the KRA website.

Q. For those operating the automatic dispensers or water ATMs, how should they fix the excise stamps for walk in customers?

A. Those operating automatic water dispensers or Water ATMs are required to ensure that an excise stamp is affixed on each bottle refilled. Excise stamps can be affixed manually on the bottles.

Q. When are Excise Returns filed?

A. Excise returns are filed by 20th day of the following month. Licensed manufacturers or suppliers of excisable services are required to submit excise returns on iTax.

Q. What is the penalty for late filing?

A. Late payment penalty is 5% of the amount of tax payable under the return or Ksh. 10,000, whichever is the higher.



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