KENYA REVENUE AUTHORITY

ISO 9001:2015 CERTIFIED

ITAX ENHANCEMENTS AND RESOLUTION OF DEFECTS FOR SEPTEMBER AND OCTOBER 2025

Introduction.

Below is a List of iTax Enhancements and Resolved Defects implemented in September and October 2025

Enhancements

a) Debt & Enforcement Module
▪ Simplified Payment Plan Application

As part of the ongoing efforts to improve the taxpayer experience and align with tax guidelines, the first phase to simplify the payment plan has now been implemented in iTax. The key features include:

- ✓ The number of instalments has been capped at six monthly instalments.
- ✓ No task is generated in iTax upon application.

Application for Payment plan can be initiated in iTax under the 'Payment's Menu as shown below
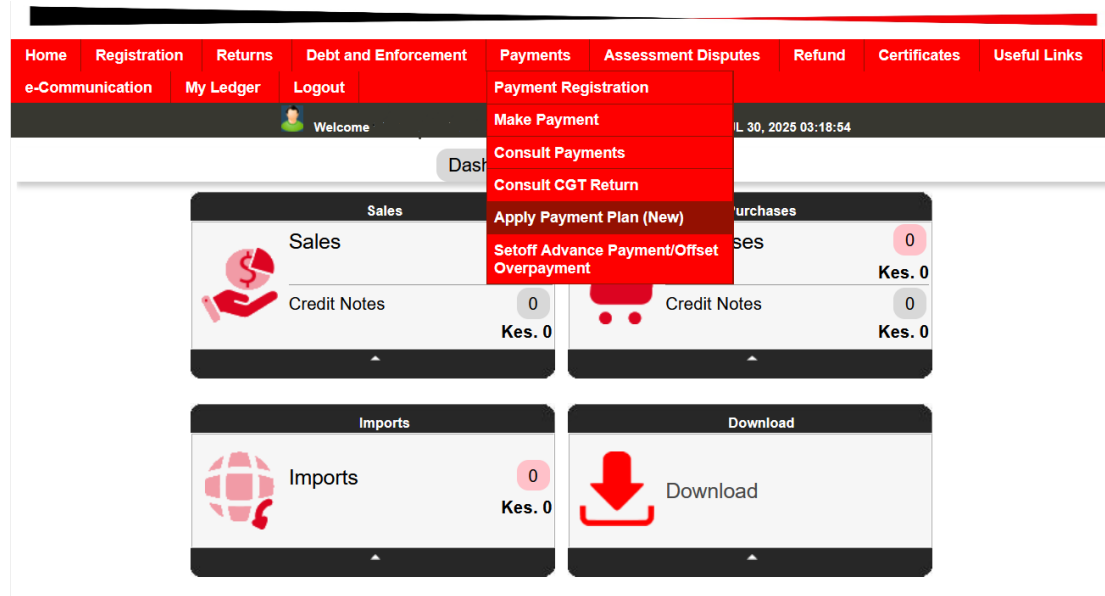
The system will display the **Payment Plan Application Form and allow the taxpayer to select the relevant tax obligation for the application of the payment plan.** Once the relevant tax obligation is selected, available tax liabilities will be displayed for all tax periods with an option to 'add all' or select specific periods. Taxpayers will be able to apply payment plans for several tax obligations in the same application.

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30 YEARS OF PARTNERSHIP

All fields marked with * are mandatory

| Section-A | Section-B |

New PaymentPlan Application

Applicant Information

Applicant Type*	Taxpayer		
Taxpayer PIN*	A005...	Taxpayer Name	DAVID I..
Mobile Number*	072...	Tax Service Office	South of Nairobi
Secondary Email Address		Email Address	DAV

PaymentPlan Details

Tax Obligation(s)*   Income Tax - Resident Individ∨

Liability Details

	Tax Period(s)	Principal Tax(Kshs)	Fines Tax(Kshs)	Interest (Ksh)	Penalty (Ksh)	Total Liability(Ksh)
☑	01/01/2019 - 31/12/2019	5,154.26	0.00	3,298.73	0.00	8,452.99

Add All   **Clear**

The taxpayer will enter the desired number of instalments under sheet B, up to a maximum of six.

All fields marked with * are mandatory

| Section-A | Section-B |

Sr.No.	Tax Obligation(s)	Tax Period	Principal Tax (Ksh)	Fine (Ksh)	Interest (Ksh)	Penalty (Ksh)	Total Liability (Ksh)
1	Income Tax - Resident Individual	01/01/2019 - 31/12/2019	5,154.26	0.00	3,298.73	0.00	8,452.99

New Payment Plan Details

Payment Plan Details

Total Tax*	8,452.99	No. Of Installments*	6
Amount per Installment*	1,408.83	Installment Frequency*	Monthly
Date of First Installment*	06/10/2025		

☑ I agree

Disclaimer*

Disclaimer
To avoid any inconvenience, kindly take note of the following:
Ensure that all valid outstanding debts are fully included in your payment plan application.
Any valid debt not captured will prevent you from obtaining a Tax Compliance Certificate (TCC), applying
for refunds, or having any active agency notice lifted.

Submit

On successful submission, the taxpayer will be issued a **Payment Plan Acknowledgement.** A copy of the acknowledgement shall be sent to the taxpayer's registered email.

b) Compliance & Monitoring Module

- **Phase 1 of Tax Compliance Certificate (TCC) Business Process Reengineering –** As part of the reengineering of the TCC process to align it to emerging compliance needs, the following **additional requirements have been implemented:**
  - ✓ **Validation of eTIMS status -** The iTax system will now validate **eTIMS/TIMS registration status** before issuing a

Tax Compliance Certificate (TCC) for any business-related PIN (i.e., Non-Individual PINs and Individual PINs with VAT, MRI, or Turnover Tax obligations). Where a PIN is not registered for eTIMS/TIMS, or has a suspended/blocked eTIMS status, the system will give the error message **"*Please be informed that you are unable to generate a Tax Compliance Certificate due to Non-Compliance with eTIMS Registration as per your Active Tax Obligations.*"**

✓ **Validation of VAT Non Compliance (VAT Special Table)** – The system will also check if a taxpayer has been placed on the VAT Special table and display the message '*Please be informed that you are unable to generate a Tax Compliance Certificate due to VAT Non-Compliance (VAT Special Table).*'

The above validations will be in addition to the existing checks for pending liabilities and returns.

For taxpayers whose only source of income is **employment** income, they will still qualify for auto-approved TCCs as per existing rules.

Note: Since this enhancement may not cover all taxpayers exempted from e-invoicing regulations and relevant legislations, deserving cases/exempt taxpayers can be facilitated in the respective Tax Service Offices (TSOs) through the existing **TCC relaxation framework**.

▪ **Restriction to eTIMS Registration:** Taxpayers with no obligation (i.e., PIN without obligation), those under dormancy, and those registered for Significant Economic Presence Tax (SEPT) will be restricted to registering/onboarding on eTIMS.

c) **Tax Return Processing Module**
   • **Filing of the Simplified PAYE Return from 1st September 2025:** Employers will be required to file PAYE returns using the simplified PAYE return from 1st September 2025. Any employer who attempts to use the old template should get the error message *'Kindly use the Simplified PAYE Return Template for Tax Periods from 01/09/2025'*

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- **Declaration of Debit Notes** – The return will allow declaration of debit notes with the relevant invoice number and date details under sheets B, D, E, and F of the VAT return. Currently, only credit notes declared mapped to their relevant invoice numbers in sheet F, and taxpayers with debit notes were required to manually remove the relevant invoice number and date when declaring them as either sales or purchases.

- **VAT on Imported Services Validation**: System has been enhanced to validate payment Slips (PRNs) declared in sheet J 'VAT on Services Imported' in the VAT Return. The system will also validate the payments upon upload of the VAT return, and also check for duplicity and double claims.

- **Rollout of the KRA World Bank Study on behaviour of Select TOT Taxpayers on the Minimum Threshold** – KRA has partnered with the World bank for a behavioural analysis of TOT filing for select taxpayers in the pilot programme. The select taxpayers will be prompted with certain nudging messages when filing the TOT return. The study will last approximately 2 to 3 months.

- **VAT filing Issue for Select Taxpayers:** Taxpayers who had purchases from some customers who had been deregistered for VAT and later reinstated the VAT obligation had a challenge claiming the input VAT due the attached error. This issue has been resolved.

- **Increase of VAT Return Section F Capacity:** To accommodate taxpayers with many purchase invoices (transactions), the capacity for Sec F (General Rated Purchases) in the VAT Return has been increased from the current 100,000 to 150,000.

- **Excise Return Filing Issues**: Taxpayers have been getting error ID when filing excise returns for failure to capture a value in the field for 'Alcoholic Strength' when Return is for 'Goods'. Further, select excise taxpayers registered for goods only who were getting an error *'The taxpayer must file returns for goods and services both as he possesses one or more active licence numbers'*. This has been resolved.

- **Excise Duty for Ready To Drink (RTDs):** The issue affecting the computation of Excise duty for RTDs (i.e. Tariff 2206:00:90) which should be Kshs. 22.5 per centilitre of pure alcohol has been resolved.

- **Simplified PAYE Return Updates**: Several data and computation issues for sheet C for Lumpsum, Gratuity and Arrears sheet have been resolved. Taxpayers are advised to always calculate the taxes offline, verify the tax payable and capture the correct tax liability. Find attached the step by step guide for the simplified PAYE return which is also available on the KRA Website under publications using the link https://www.kra.go.ke/images/publications/STEP-BY-STEP-GUIDE-FOR-THE-SIMPLIFIED-PAYE-RETURN.pdf

d) Payments Module

- **PRN Cancellation Issue**: The issue affecting the cancellation of Payment Registration Numbers (PRNs) for Withholding Taxes and Capital Gains Tax has been resolved. However, for some select cases, the system is not reversing the interest, and the issue is under resolution.

- **Web Checkout Mpesa Payment**: The issue affecting the payment of taxes using the web checkout functionality in iTax has been resolved. Taxpayers making payments through MPESA will not be directed to enter their mobile number and will be prompted to enter the MPESA PIN to seamlessly make payments instead of going through the paybill option.

- **NITA Levy for Amended Returns:** Taxpayers have had a challenge when generating NITA Levy for Amended PAYE returns. This issue has been resolved.

- **AHL/NITA Penalty and Arrears Menus**: The issue of the missing NITA levy 'Payment type' for 'arrears' and the missing AHL 'payment type' for penalty has been resolved.

- **Invoice Character Length for Withholding VAT**: The invoice number character length in the withholding VAT Excel template has been increased to 40 to align with the changes made in the VAT return.

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- **Error ID when generating Instalment Taxes** – Select taxpayers with unutilized IAVs are getting error IDs when generating an instalment tax PRN without claiming the voucher. The solution is first to generate an instalment tax PRN equal to the voucher and generate another PRN for the balance of the instalment tax to be paid at the bank or through the mobile payments option.

e) **Taxpayer Registration Module**

   - **Number of Characters for Business Registration Number:** The number of characters for the Business Registration Number field for Non-Individual PIN registrations has been increased to 50 to cater for unique entities such as CBOs registered by the Ministry of Gender, hence no need to truncate any registration number during PIN application.

   - **Cancellation of Turnover Tax Obligation for Partnership PIN:** Taxpayers who are registered for Income Tax Partnership and Turnover Tax (TOT) obligations had a challenge when cancelling TOT, as the system prompts them to cancel the PIN. This issue has been resolved.

   - **Missing Employee Profession Details for Registration Amendment Tasks:** Officers have been experiencing challenges processing certain registration amendment tasks for the change of a citizen from Non-Kenyan Non-Resident to Non-Kenyan Resident due to missing employee profession details. This issue has been resolved.

   - **Resolved Common Registration Defects –** Several reported registration module defects have been resolved relating to the following;
     a. Inability to apply for cancellation of VAT obligation as the submission button is inactive.

f) **Technical Support Services Module**

   - **Error When Approving PWD Exemptions**: There was an issue in facilitating approval of exemption applications for Persons with Disability (PWDs) whose names have special characters, e.g. apostrophes. This issue has been resolved.

....End...……….

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