

## DOMESTIC TAXES DEPARTMENT A STEP BY STEP GUIDE ON HOW TO OFFSET LIABILITY USING THE REFUND ADJUSTMENT VOUCHER (RAV)

The Finance Act 2023 amended Section 47 of the Tax Procedures Act, 2015 to provide that refund on overpaid tax shall be paid within a period of six months from the date of ascertainment and, if the Commissioner fails to refund, the overpaid tax shall be applied to offset the taxpayer's outstanding tax debt or future tax liabilities.

In line with this provision, the iTax system has been enhanced to generate a refund adjustment voucher (RAV) for all cases where six months have lapsed since the date refund was ascertained. This will be sent to the taxpayer email. this step by step guide has been developed to offer guidance on how to use the RAV and offset tax liabilities in iTax.

## How to offset liability using RAV

1. Log into iTax profile. Under the Payment Menu, select Setoff Advance Payment/Offset Overpayment

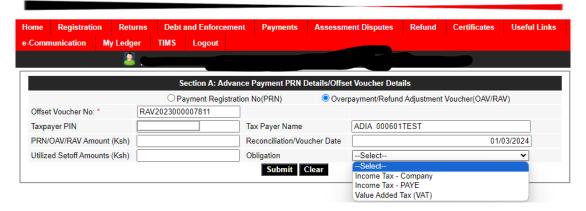


2. On the window that opens, select Overpayment/Refund Adjustment Voucher(OAV/RAV), capture Offset Voucher No (i.e. RAV)., and select obligation for which you wish to offset.

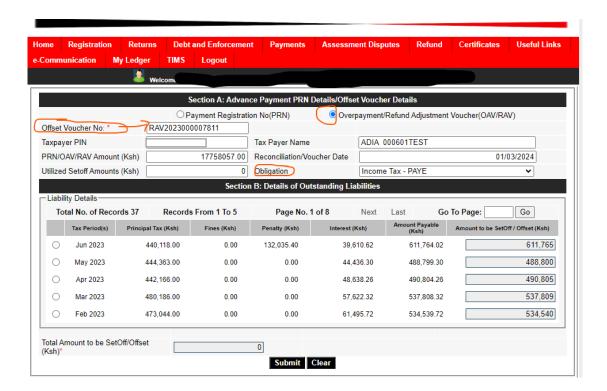








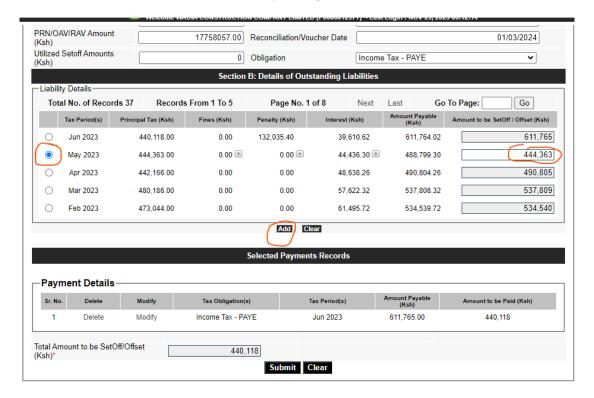
3. Upon selecting the tax obligation, system will populate all the periods with outstanding liability. Where there is no liability for selected obligation the system will indicate that there is No liability details found for selected Tax Obligation



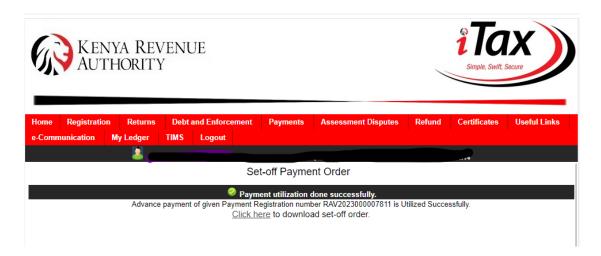
4. Select the tax period. Where the taxpayer wants to offset principal tax only or where voucher amount is lower than outstanding liability the taxpayer can modify the amount to be offset. Once done taxpayer should click the add button



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5. The above step can be repeated for additional tax periods up to a maximum of the voucher amount. Taxpayer should then click submit. The iTax system will generate an acknowledgement receipt with details of the setoff and the respective credit entries will be passed in the tax periods taxpayer has selected.



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**Refund Adjustment Voucher** 

For General Tax Questions Contact KRA Call Centre Tel: +254 (020) 4999 999 Celi: +254(0711)099 999 Emeli: -ellicentra@kra co ke

www.kra.go.ke

Texpayer PIN:

Name and Address :

0000, Times Tower, NBI, Westlands District,
PO Box:0000,
Postal Code:00200

KENYA REVENUE AUTHORITY

Transaction Date

Acknowledgement Number

KRA202416440217

Section A : Overpayment Adjustment Voucher Details					
Overpayment Adjustment Voucher	RAV2023000007811	OAV Generation Date	01/03/2024		
Total Offset Amount(Ksh)			884,481.00		

Section B: Details of Offset Liabilities								
No	Obligation Name	Tax Period	Offset Amount					
1	Income Tax - PAYE	01/06/2023 - 30/06/202	3 440,118.00					
2	Income Tax - PAYE	01/05/2023 - 31/05/202	3 444,363.00					

	Welcom									
		Records (3)						448,541.94	448,542.00	•
E	□ JUN 2023									
+	4	Income Tax - PAYE	JUN 2023	04/03/2024	RAV2023000007811	Offset of Overpaid Account (PAYE)	Refund (Offset)	0.00	440,118.00	
+	5	Income Tax - PAYE	JUN 2023	11/07/2023	-	Revenue General Interest Account (PAYE)	Interest	39,610.62	0.00	
+	6	Income Tax - PAYE	JUN 2023	11/07/2023	-	Revenue General Penalty Account (PAYE)	Penalty	132,035.40	0.00	
+	7	Income Tax - PAYE	JUN 2023	11/07/2023	KRA202314292730	Tax Deducted at Source Account (PAYE)	Self Assessment	440,118.00	0.00	
		Total Records (4)						611,764.02	440,118.00	
□ MAY 2023										
+	8	Income Tax - PAYE	MAY 2023	04/03/2024	RAV2023000007811	Offset of Overpaid Account (PAYE)	Refund (Offset)	0.00	444,363.00	
+	9	Income Tax - PAYE	MAY 2023	04/03/2024	-	Revenue General Interest Account (PAYE)	Interest	44,436.30	0.00	
+	10	Income Tax - PAYE	MAY 2023	09/06/2023	KRA202309702890	Tax Deducted at Source Account (PAYE)	Self Assessment	444,363.00	0.00	
		Total Records (3)						488,799.30	444,363.00	

**Note**: RAV can only be used to offset liability where a return has been filed.

**END**