KENYA REVENUE AUTHORITY

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PUBLIC

TAXPAYER GUIDELINES ON THE AUTOMATIC PAYMENT PLAN (ADDENDUM TO THE DEBT PROCEDURE MANUAL)

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Acronyms and Abbreviations

KRA	–	Kenya Revenue Authority
SLA	–	Service Level Agreement
TCC	–	Tax Compliance Certificate.
TSO	–	Tax Service Office

TAXPAYER GUIDELINES ON THE SIMPLIFIED ONLINE PAYMENT PLAN

Introduction

Kenya Revenue Authority (KRA) rolled out the **Online Payment Plan Module** in iTax to simplify the Payment Plan process for taxpayers. The automated system improves transparency, consistency and service delivery by allowing taxpayers to manage their payments online. These guidelines provide essential information for taxpayers regarding the Online Payment Plan process.

Objectives of the Online Payment Plan Process

- **Simplified payment management**: Taxpayers able to apply for payment plans directly through iTax for greater convenience.
- **Improved transparency**: All payment plans automatically logged and visible to the taxpayer.
- **Promoted consistency**: Standardized processes to ensure fairness and equal treatment.

Effective Date

These guidelines are effective immediately, from the date of approval. All payment plans with up to six (6) monthly instalments shall be applied through the iTax Online Payment Plan Module (new).

Key Provisions for Taxpayers

What taxpayers need to know

Payment Plan Automation (Up to 6 Instalments)

Taxpayers may automatically apply for payment plans through iTax for debts up to six (6) equal monthly instalments. This payment plan is auto-approved and does not require taxpayers to visit any KRA office for approval. Once submitted, the system automatically approves payment plans within this limit, reducing the need for manual intervention.

Debt Inclusion Verification

During application, taxpayers are required to ensure that all valid debts are included in the Payment Plan before submission. Taxpayers are not eligible for certain benefits, like the **Tax Compliance Certificate (TCC)**, unless all debts are included in the payment plan.

Multiple Payment Plan Applications

Where a taxpayer has multiple tax obligations (e.g., VAT, Income Tax), they are required to consolidate all debts under the various obligations into a single Payment Plan.

Payment Plans Exceeding Six (6) Instalments

Where a taxpayer requires a payment plan exceeding six (6) monthly instalments, the application shall be submitted to the taxpayer's respective Tax Service Office for approval. Taxpayers shall provide justification and supporting documentation. The approval for the Manual Payment Plan shall only be granted by the Chief Manager Debt Refunds & Ledger Management (DR&LM) or an officer authorised by the Commissioner. Where approved or rejected, the taxpayer shall receive email confirmation through their email address registered in iTax.

Default and Enforcement

Where a taxpayer defaults a Payment Instalment, the Payment Plan is automatically cancelled. Enforcement actions shall be taken, such as the reinstatement of agency notices and withdrawal of the TCC.

Default is considered to have occurred if **any instalment is not paid by the end of the month** in which the instalment fell due.

Handling Invalid Debts

Where a taxpayer believes that a debt listed in their payment plan is incorrect, they are required to select only valid debts when applying for the Payment Plan and submit reconciliation documents for the invalid debt to the debt office at their TSO. Such documentation includes proof of payment or documents containing objection decisions).

Relaxation or Lifting of Agency Notices

Where a taxpayer has paid the first instalment of the Payment Plan, they may request for TCC relaxation or lifting of any agency notices or relief from other enforcement action. The taxpayer is required to provide proof of payment along with the Payment Plan in iTax.

How to Apply for a Payment Plan

Taxpayers may apply for a Payment Plan directly through iTax by following the following steps:

i. Log into iTax profile using their credentials;
ii. Under Payment Module select 'Apply Payment Plan';
iii. 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;
iv. 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 are able to apply Payment Plans for several tax obligations in the same application;
v. Select preferred number of Instalments (**up to a maximum of six**) and submit the application;
vi. Upon successful submission, a Payment Plan **Acknowledgement Notification** will be sent to the taxpayer's iTax registered email address.

Monitoring and Reporting

Taxpayers are required to track their Payment Plan monthly. If a Payment Instalment is missed/defaulted, the KRA shall take enforcement actions, including possible reinstatement of agency notices and withdrawal of TCCs.

Service Level Standards (SLAs)

Payment Plan

Table 1: Timelines associated with the Payment Plan

S/No.	Process		Timelines
1.	**Payment Plan Processing**	**Up to 6 Instalments**	Automatic approval immediately upon submission of the plan through iTax.
		More than 6 Instalments	Approval processed within two (2) working days once all supporting documentation is received.
2.	**Tax Compliance Certificate (TCC)**	**Automatic Issuance**	Occurs where the taxpayer has no outstanding debts and all returns are filed and the taxpayer is eTIMS compliant (where applicable).
		Manual Processing	Follows payment of the first instalment of the auto-approved Payment Plan. Once evidence is presented of payment of the first Instalment together with the online Payment Plan, the officer validates that all debts were included in the Payment Plan then immediately proceeds to facilitate the taxpayer's application of the TCC.
		Instalment Payment	TCC is processed within two (2) working days after payment of first instalment for payment plans exceeding 6 months.

Agency Notice Relaxation

Where a taxpayer met all conditions for lifting an agency notice (e.g., payment of the first instalment), it is processed within one (1) working day.

Refund-Related Debt Validation

Where a taxpayer requests a refund, the Debt team validates their debt status and provides a report to the Refunds Team within seven (7) working days.

Where no feedback is provided by the taxpayer on their debt status, the entire debt is recommended for recovery during refund processing.

Contact Information

For more information or assistance taxpayers may contact their nearest Tax Service Office or email callcentre@kra.go.ke. Taxpayers should also update their contact details in iTax to ensure they receive all relevant communication.