

# iTax Enhancements and Resolution of Defects for February 2025 Resolution of Bugs and Defects Volume 1

### (b) Debt and Enforcement

- Amnesty Application: Taxpayers who had applied for Amnesty Payment plans by 30th June 2024 but still have principal taxes for the covered period are not able to re-apply for new payment plans as a result of an incorrect message that principal tax is paid. The issue has been resolved and affected taxpayers can apply for amnesty.
- Amnesty number of instalments: The iTax system was not accepting more than one instalment. This has been resolved and the taxpayers can initiate up to 4 instalments.



• **Update of message on Amnesty application acknowledgement receipt:** The 'Terms and Conditions' section for Amnesty application have been updated to reflect the extension period granted by the Tax Laws Amendment Act, 2024. The Amnesty period narration has been changed from 31/12/2022 to 31/12/2023. The Amnesty acknowledgement receipt has also been updated to reflect this change.

## (c) Vat Auto-Populated Return

- Renaming the CSV for Sec F DST: Following the Tax Laws Amendment Act, 2024, the Significant Economic Presence Tax has been introduced to replace Digital Service Tax. To align with this change, CSV for Sec F DST, in the VAT Return has been renamed to Sec F Digital Supply which will align it to the type of purchase in the return.
- Alignment of allowable characters for Invoice Number and Relevant Invoice Number in Sec B and Sec F of the VAT return: The allowable characters for relevant invoice number and invoice number have been increased to 40 characters in all the relevant columns and sheets of the VAT Return.
- Auto population of Sec H (Zero-Rated Purchases): The VAT Autopopulated return has been enhanced to avail CSVs for Zero-rated purchases (local) in sheet H of the VAT Return.
- Error message for credit notes (Purchases: Sec F): The error message displayed by the system relating to the declaration of credit notes for Purchases (Sec F) has been enhanced to read "Credit NoteXX mapped to relevant invoice number XX with relevant invoice date XX as per the TIMS or eTIMS data is not declared. Please declare it."
- Claiming of Input VAT from DST/SEP Taxpayers on Return Amendment: When a digital supplier (DST/SEP) taxpayer amends their VAT Return, the purchases CSVs of the purchaser still auto-populates what was declared in the original VAT return. This issue has been resolved to ensure the system auto-populates details as per the most active return.



• VAT Special Table: During the filing of VAT returns, the system will flag all cases in the VAT special table from input tax claims in the VAT return irrespective of the effective date when they were placed in special table or the return being filed by the taxpayer. For PINs added to the special table after they had been declared in the returns, upon further amendments or additional assessments across all modules for the same return, the system should still allow such PINs to be declared in the VAT return.

- Negative sales for Sheet B\_Sales to Customers Not Registered for VAT: The VAT return has been enhanced to allow declaration of negative value for sales to customers not registered for VAT under Sheet B (cell G6), D & E where the taxpayer has excess credit notes on invoices for NON VAT registered customers leading to an overall negative sales value even after considering total sales value for sales to VAT registered taxpayers where applicable.
- Validation Check for Blank Fields in the VAT Return: The system has been enhanced to prevent submission of VAT returns with blank fields for invoice number and date.
- Claiming of Non-ETIMS/TIMS Invoices: Some select taxpayers were able to claim input tax not supported by a valid ETIM/TIMS invoice as per the relevant parameters set in the system. The issue was resolved by the end of January 2025. Upon subsequent amendments, data correction and additional assessments across all modules, the system is able to flag and disallow these invoices upon upload of the returns.

# (d) PAYE Template Issues:

The issue affecting the recently deployed PAYE Return template that incorporates Tax Laws Amendment Act, 2024 changes has been resolved. Taxpayers who are yet to file can use the Template posted on the KRA Website. The Template has been updated on the iTax Portal.

**(e) Invalid Exemption Certificates for PWDs in PAYE Return:** Some employers are experiencing the below error when declaring PINs for some taxpayers (PWDs) in the PAYE return. The ICT team is currently resolving the issue for all affected cases.

THOME >> e-Returns >> Unified Payroll (PAYE-NSSF-NHIF) Return Form>> Returns Summary

#### **Returns Summary**

Sr.No.	File Section	Error Description
1	C_Disabled_Employees_Dtls	The Exemption Certificate(For Disability) KRAPWD0199 is not valid for Taxpayer A00 3694C for given period.
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