

Legal Notice No. _____

THE INCOME TAX ACT
(CAP. 470)

IN EXERCISE of the powers conferred by Section 12A(2) of the Income Tax Act, the Commissioner General makes the following Rules –

THE INCOME TAX (ADVANCE TAX) (CONDITIONS AND PROCEDURES) RULES, 2024

Citation	1. These Rules may be cited as Income Tax (Advance Tax)(Conditions and Procedures) Rules, 2024.
Interpretation	2. In these Rules, unless the context otherwise requires— "advance tax" means tax payable under section 12A of the Act; "commercial vehicle" has a meaning assigned to it in the Act; "government agency" means an agency, body or entity of government responsible for motor vehicles registration, transport licensing, and motor vehicles inspection; "Owner of a commercial vehicle" means the registered owner as indicated in the registration certificate issued by the Registrar of motor vehicles.
Payment of advance tax	3. (1) Any person who owns a commercial vehicle shall be liable to pay advance tax. (2) Advance tax shall be payable for each year of income at the rates specified under paragraph 8 of the Third Schedule to the Act. (3) Advance tax shall be due and payable to the Commissioner on or before the twentieth day of the first month of the year of income, or in cases of transfer of ownership of the commercial vehicle, before the new owner is registered as such. (4) The Commissioner shall assess the amount of advance tax payable under these Rules in accordance with paragraph 8 of the Third Schedule to the Act. (5) A person liable to pay advance tax shall pay to the Commissioner the amount of advance tax assessed in the prescribed form. (6) The Commissioner shall issue, to every person who pays advance tax under these Rules, a receipt which shall be the proof of payment of advance tax.

Dispute in calculation of advance Tax	4. Any dispute arising from the administration of these Rules relating to the assessment to tax shall be dealt with in accordance with section 51 of the Tax Procedures Act, Cap 469B
Licensing and inspection	5. A Government agency shall for the purposes of the registration or transfer of ownership, licensing or inspection of a commercial vehicle, require the owner of the commercial vehicle to furnish such agency with evidence of payment of advance tax or income tax exemption certificate, where applicable.
Filing of returns	6. (1) A person who pays advance tax shall submit to the Commissioner a return of income in accordance with section 52B of the Act. (2) A person who fails to file a return of income in accordance with sub rule (1) shall be liable to pay a penalty provided under the Tax Procedures Act, Cap 469B.
Maintenance of records	7. Any person who is liable to pay advance tax shall keep records necessary for the determining and ascertaining advance tax in accordance with the Tax Procedures Act, Cap 469B, including registration certificates and vehicle inspection reports .
Inspection of records	8. (1) For purposes of obtaining information necessary for the verification of advance tax paid, the Commissioner may by notice require a person liable to pay advance tax to— (a) produce all accounts, books of accounts, documents and other records relating to the payment of advance tax in respect of such period as may be specified by the Commissioner; (b) produce the commercial vehicle or a Vehicle Inspection Report prepared by a Government agency; or (c) avail themselves for interview at such time and place as may be specified in the notice. (2) The Commissioner may, upon undertaking an inspection under this rule, demand from the person, based on the information obtained from the inspection— (a) the tax which appears from the documents and records produced by that person, would have been payable under rule 3 for the period covered by the inspection had that person complied with these Rules; or (b) the outstanding tax and penalties.

Penalties and interest	<p>9. (1) A person who fails to pay the advance tax due shall, in addition to the payment of the unpaid tax, be liable to pay a penalty and interest on the unpaid tax in accordance to the Tax Procedures Act, Cap 469B.</p> <p>(2) The provisions of the Tax Procedures Act, Cap 469B that relate to collection and recovery of tax shall apply for the purposes of collection and recovery of unpaid advance tax.</p>
Revocation L. N. 52/2012	<p>10.The Income Tax (Advance Tax) (Conditions And Procedures) Rules, 2012 are revoked.</p>

Dated the _____, 2024.

HUMPHREY WATTANGA,
Commissioner General
Kenya Revenue Authority.

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