



KENYA REVENUE
AUTHORITY

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TAXPAYERS

GUIDE & HANDBOOK

Disclaimer

This Guide has been developed after careful review of the relevant tax statutes. However, the possibility of human error cannot be ruled out. Therefore, to the extent that there is any inconsistency between the information contained in this Guide and the tax statutes, the latter shall prevail.

Personal Identification Number (PIN)

A Personal Identification Number (PIN) is a number given by the Kenya Revenue Authority (KRA), which identifies a taxpayer for purposes of paying taxes and carrying out any transactions with KRA, as well as other Government agencies and service providers.

The PIN is issued to both individuals and artificial persons (i.e. company, Trust, Society, Non-Governmental Organisation etc). A sole proprietorship is not considered a separate legal entity and will use the proprietor's individual PIN for all transactions.

Transactions, for which a PIN is required, other than for tax purposes, include:

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| <ol style="list-style-type: none"> 1. Carrying out any land transaction 2. Approval of development plans and payment of water deposits 3. Registration, transfer and licensing of motor vehicles 4. Registration of companies, business names or partnerships 5. Trade licensing 6. Underwriting of insurance policies 7. Payment of deposits for power connections 8. All contracts for the supply of goods and services to Government Ministries and public bodies | <ol style="list-style-type: none"> 9. Opening accounts with financial institutions and investment banks 10. Importation of goods and customs clearing and forwarding 11. Registration and renewal of membership by professional bodies and other licensing agencies 12. Registration of mobile cellular pay bill and till numbers by telecommunication operators 13. Application for Higher Education Loans Board (HELB) loans |
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How to register for a PIN

KRA registration is done through iTax as stated below

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| <ol style="list-style-type: none"> 1. Visit itax.kra.go.ke. 2. Select "New PIN Registration" 3. Select "Non-Individual" and "Online Form" as your mode of registration. 4. Fill in your basic information. | <ol style="list-style-type: none"> 5. Select suitable tax obligation by checking the relevant boxes. 6. Enter details of company directors or partners. 7. Fill in agent details if you have one. 8. Enter result of the arithmetic sum provided and submit. |
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Tax Obligations under the PIN

A tax obligation is a duty to account and pay applicable taxes. Tax obligations that are applicable under tax PINs in Kenya include:

- Income Tax Resident Individual,
- Income Tax Non-Resident Individual,
- Income Tax Company,
- Value Added Tax (VAT),
- Turnover Tax,
- Pay as You Earn (PAYE), and
- Excise Tax.

A tax obligation is voluntarily assigned either by the individual or by business. Therefore, caution should be taken by taxpayers to ensure that they do not assign themselves tax obligations outside their scope of operation. In a few cases, the law permits the Commissioner to mandatorily register a taxpayer for certain tax obligations.

Taxes arising from the obligations under the PIN can be paid by MPESA or through the banks listed on the iTax Online Payment Platform.

Requirement to file tax returns

Every person (individual or artificial person) with a tax PIN is required to file a tax return for each of the tax obligations registered under the PIN. A return is a self-declaration of the income earned or business transacted and calculates the taxes due from those transactions. The return is prepared in the format prescribed by the KRA and is submitted online on the KRA iTax platform.

Where a person does not earn any income or does not carry out any business activities in a certain period, then they are required to file a NIL return.

Where a person files to file their tax return within the prescribed timeline, they will be subject to penalties.

The table below provides the timelines and penalties for late filing or non-filing of returns with regard to various tax obligations.

	TAX CATEGORY	DUE DATE	PENALTIES
1.	Individual Income Tax	On or before 30th June of the following year	5% of the tax due or Kshs. 2,000-whichever is higher.
2.	Income tax Company	On or before the end of the 6th month after the end of the accounting period	5% of the tax due or Kshs. 20,000, whichever is higher.
3.	Value Added Tax (VAT) and Excise Duty	On or before the 20th day of the following month	5% of the tax due or Kshs. 10,000 whichever is higher
4.	Pay As You Earn (PAYE) Employer Obligation	On or before the 9th day of the following month.	25% of the tax due or Kshs. 10,000 whichever is higher
5.	Monthly Rental Income Tax (MRI)	On or before the 20th day of the following month.	5% of the tax due or Kshs. 2,000 whichever is higher in the case of an individual and 5% of the tax due or Kshs. 20,000 or whichever is higher in the case of an artificial person.
6.	Turnover Tax (TOT)	On or before 20th day of the following month	Kshs. 1,000 per month

Please note that the above penalties only apply for late filing of returns. Late payment and non-payment of taxes are subject to further penalties and interest. Kindly visit www.kra.go.ke for more information

PIN Cancellation or Tax Obligation Cancellation

A taxpayer may apply for cancellation (deregistration or removal) of tax obligation for valid reasons. The taxpayer will be required to visit their Tax Service Office or the nearest KRA Office and provide documents supporting the application for cancellation or

de-registration. Taxpayers are required to continue filing returns and paying taxes until they receive official communication that the PIN/Tax Obligation has been cancelled.

Suspended PIN

Suspension of PIN is the temporary stoppage of PIN usage by KRA in order to compel the taxpayer to adhere to the obligations under their tax PIN. The taxpayer should visit their Tax Service

Office or the nearest KRA Office on guidance of the required action to enable activation of the suspended PIN

PIN Dormancy

This occurs when a taxpayer is exempted from return filing for valid and acceptable reasons or when a taxpayer does not intend to use their PIN number for a prolonged period.

To request for PIN Dormancy, visit itax.kra.go.ke and request to have your PIN put on dormancy state.

You may be required to provide supporting documents before application for Dormancy is approved. You should continue filing your returns and paying taxes until you receive an official communication that the PIN/Tax Obligation has been put to dormancy.

For more information, Contact Us

P.O. Box 48240-00100 GPO Nairobi, Kenya Tel No. 020 281 0000

Contact Centre: 020 4999 999, 0711 099 999

Visit www.kra.go.ke



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