



iTax Enhancements and Resolution of Defects for November 2024

Volume 1

Below is a list of iTax enhancements and resolved defects implemented in the iTax system during November 2024. Kindly go through the document and in case of any clarifications, get in touch with your Tax Service Office (TSO), or send an email to callcentre@kra.go.ke.

a) Generation of VAT Automated Audit (VAA) Assessments

The iTax System generated erroneous VAA assessments for January and February 2019, January 2020 and January 2021 for select taxpayers on 4th November 2024. KRA is working on a solution to deactivate the DAVs, additional assessment returns and the respective ledger entries. Affected taxpayers should not object to the erroneous assessments as they will be reversed administratively. Further communication on this issue will be relayed to the various Tax Service Offices (TSOs).

b) Objections and Appeals Module

• Objecting to Default Assessments for Special Obligations:

Taxpayers have been having a challenge objecting to default assessments for special obligations (e.g. WHVAT, WHIT, Shipping Tax, Transmission of Messages, WHRENT, and CGT). A system enhancement has been implemented to allow taxpayers to object to these assessments and tasks processed through iTax. This has resolved the new assessments going forward. Solution for past cases is still in progress for select taxpayers who may still experience challenges during the objection process.

c) Compliance and Monitoring (CAM) Module

- TCC Generation for Certain Taxpayers:** A system issue was identified where taxpayers are unable to generate Tax Compliance Certificates (TCCs) due to system flagging liability that exists in the ledger before the due date, especially for taxpayers who file early. This issue has been resolved.



- **VAT Auto populated Return:** A system intervention has been done to ensure daily updates of the name of the purchaser for all the VAT sales categories. An update of all the invoices in iTax for the last 7 months was also done on 24th October 2024.

d) Important Clarifications on Return Amendments

- **Return Amendments for PAYE for periods with NITA** – When amending returns for PAYE for periods which the employer filed and paid NITA through the PAYE return for periods before April 2023, the system will not display the sheet where the NITA Levy details were captured. NITA Levy for some of these periods was being paid annually yet currently return calculates NITA liability monthly. To reinstate the original NITA levy amount paid, the employer will be required to divide the amount paid as per the original return by Kshs. 50 and capture this as the number of employees under NITA Levy contributing members field in the PAYE return tax computation sheet. Failure to update the NITA levy details as explained above may lead to error IDs when uploading amended returns.

N/B It is mandatory to reinstate the AHL or NITA Levy liabilities as per the previous return during amendments across all modules.

- **Return Amendments for ITR and ITNR for 2020 and 2023** – The 2020 and 2023 ITR and ITNR provided for splitting of employment income under sheet F. When carrying out return amendments, upon downloading the Excel return, split periods under sheet F may fail to be displayed. To resolve the issue, kindly capture the return period afresh on the basic information to trigger the macros and display the two periods for splitting employment income under sheet F.

e) Payment Module

- **WHVAT Paypoint PRN generation:** Taxpayers (WHVAT Paypoints) have been having challenges generating PRNs through Excel upload due to an inactive 'upload file' button. This issue has been resolved.



- **Discrepancies between PRN and Ledger Amounts for payment registration obligations** – During payment registration for some select obligations like WHTIT, WHTRENT, WHTVAT, etc., it was possible to generate a payment slip for both principal tax with penalties and interest. This led to discrepancies between the PRN and the amount credited in the ledger. The issue has been resolved going forward and a solution for past cases is in progress.