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Kenya's President launches *iTax*

The Kenya Revenue Authority is implementing a Reform Strategy which aims at the reengineering and automation of all the Domestic Taxes Department business processes. The automation of the processes is being realized through the ongoing implementation of the Integrated Tax Management System (ITMS) branded as *iTax*.

iTax is a web supported solution intended to deliver services to taxpayers efficiently and effectively on line, through a corporate web portal. It provides a fully integrated automated solution for the administration of domestic taxes. It enables internet based taxpayer registration, filing, payment and status inquiries with real-time monitoring of accounts. Among the key compliance functions enabled by *iTax* is the cross validation of information for all taxpayers registered. It is expected that upon full roll-out, the KRA will take services closer to taxpayers by enabling them to transact with the Authority from any location provided one has access to internet services.

The Kenya Revenue Authority climaxed its *10th Taxpayers' Week* activities with the launch of this system application, the *iTax*. This was the culmination of 24 months of development of the system, and was presided over by H.E. President Uhuru Kenyatta at a colourful ceremony to honour taxpayers who excelled under various categories in so far as their tax obligations are concerned, for the FY 2012/13.

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functions enabled by *iTax* is the cross validation of information for all taxpayers registered under the solution. It is expected that upon full roll-out, the KRA will take services closer to taxpayers by enabling them to transact with the Authority from the comfort of their offices or homes.

The roll out strategy involves piloting first with all the Taxpayers in the Large and Medium Taxpayers Offices respectively before bringing in the rest of the taxpayers. The development of a few more modules, mainly for back office operations is in the final stages and should be rolled out soon.

Tapping of Tax Revenue from the Real Estate Sector – Kenya’s Experience

According to the Kenya National Bureau of Statistics (KNBS), the real estate sector’s contribution to the Country’s GDP grew from Kshs.71 billion to Kshs.80 billion between the years 2007 and 2010. Despite the growth, tax revenue from rental income and real estate sector in general has not reflected a commensurate growth. To turn around this sector, KRA established and launched the Real Estate Sector Project in July, 2012 with the mandate of enhancing revenue collection and compliance in the real estate sector in Kenya.

The project’s broad objective is to assess the potential of taxation of real estate and rental income and establish effective mechanisms for the consistent collection of all taxes due. Key achievements include: collection of Kshs 1 billion from the sector during the initial year of operation, FY 2012/13 and profiled 600 top landlords and developers with a tax revenue expectation amounting to Kshs. 4 billion. These profiled cases are now being pursued for compliance and audit checks, collection and enforcement.

Going forward, KRA is partnering with relevant government institutions to benefit from the use of the Geographic Information System (GIS) technology/solutions on identification of spatial location of property developments. Key among these is the Institute of Surveyors of Kenya and the Ministry of Lands.