



DOMESTIC TAXES DEPARTMENT

iTax Enhancements and Resolution of Defects for April 2024

Enhancements and Resolution of Defects

a) Compliance & Monitoring Module

Missing PAYE Credits for Employees - Select employers have been having issues with their employees missing PAYE credits from October 2023 to date despite the employee being declared in PAYE return and PAYE paid in full. The issue has been resolved and PAYE credits posted to ledgers for October 2023 to date.

b) Tax Returns Processing (TRP)

- i. **Auto-approval of IT1 Amended Returns for Personal Relief:** The system has been enhanced to grant auto-approval of IT1 Return where the amendment only involves capturing personal relief that was omitted while all other values remain constant.
- ii. **Amendment of Turnover Tax Rate to 1.5%:** The Affordable Housing Act 2024 amended the TOT rate from 3% to 1.5% from 22nd March 2024. This change has been effected for the March 2024 return going forward.
- iii. **Change of VAT Return Version:** The VAT Return Excel template has been updated to version 15.0.8. All taxpayers are advised to download the updated template version from the iTax portal.
- iv. **Invoice Checker:** The Invoice checker has been enhanced to capture additional details relating to the type of invoice, date of transmission and name of the buyer as per the PIN captured by the seller. This will enable both sellers and buyers to take corrective action within the same tax period and also identify early enough any system issues on their invoicing solutions not transmitting the buyer details to KRA through the control unit.
- v. **Challenges Viewing Excise Returns:** The system was displaying a blank page when attempting to view an excise return with the class of goods "Wine". This issue has been resolved.
- vi. **Duplicate entries on migrating taxpayer's credits from ITNR/ITR:** The system has been inserting double debit entries when PAYE credits are transferred from ITR to ITNR and vice versa upon filing either the ITR/ITNR return. This issue has been resolved.



c) Payments Module

- i. **Generation of Payment Slips for MRI Obligation:** The MRI obligation was enhanced to introduce a workflow process before the taxpayer is assigned the obligation. Some newly registered MRI taxpayers have been finding it difficult to generate payment slips after filing their returns. This issue has been resolved.
- ii. **Declaration of Prepaid Excise PRNs:** The issue affecting the declaration of self-assessment payments for Excise done within the month (paid in advance) in the Excise return has been resolved.
- iii. **Challenges generating PRN for Interest on CGT:** Some taxpayers have been unable to generate a PRN for Capital gains Tax (CGT) interest and encounter the system message '*Principal amount is pending for the selected CGT type.... please make payment for the principal amount first*'. This issue has been resolved.
- iv. **Generation of Payment Slips for Withholding VAT Default Assessments:** When taxpayers generate a payment slip for Withholding VAT default assessments for multiple periods and make the payment, the whole amount used to be posted in one period. A solution has been provided to restrict the generation of Payment slips to a single tax period to credit each period respectively.
- v. **Generation of Instalment Tax Using Previous Year Prediction Base:** The system has been enhanced to have the estimated tax value as editable and not mandatory if the taxpayer is using the previous year as the instalment prediction base.

d) Technical Support Services (TSS) Module

- **Tax Relief Scheme changes**

The following changes to the tax relief schemes registration process on the iTax portal have been effected.

 - (i) Change of label from *1st Schedule paragraphs* to read *Income Tax Act Provision*
 - (ii) The Income Tax Act Provision selectable list has been updated as follows;
 - 1st Schedule Para.12 – Income of a registered pension scheme
 - ✓ 1st Schedule Para.13 – Income of a registered trust scheme
 - ✓ 1st Schedule Para.14 – Income of a registered pension fund
 - ✓ 1st Schedule Para.15 – Income of a registered provident fund
 - ✓ 1st Schedule Para.43 – Income of a registered Individual retirement fund
 - ✓ 1st Schedule Para.57 - Income or principal sum of a registered family trust effective from 1st July 2021



- ✓ 1st Schedule Para.44 – Income of a registered Home Ownership Savings Plan
 - ✓ Section 20(1)(a) – Unit trust
 - ✓ Section 20(1)(b) – Collective Investment Scheme
 - ✓ Section 20(1)(c) – Real Estate Investment Trust
 - ✓ Section 20(1)(d) – Investee Company of a Real Estate Investment Trust
- **Consult and Reprint Acknowledgment Receipts and Certificates:** Taxpayers can now reprint the following documents by selecting 'Business Process' as 'Taxpayer Registration':
- (i) Tax Relief Scheme - Acknowledgment
 - (ii) Tax Relief Scheme -Rejection Notice
 - (iii) Tax Relief Scheme - Certificate