

Have you filed your personal return for the Year 2019 as a Kenyan Resident Taxpayer?

The statement "...give to Caesar what belongs to Caesar..." encapsulates the reality of taxation in one of the greatest empires the world has ever known - The Roman Empire. When we cast further back into our own rich African heritage, we cite the famous Aksumite Kingdom as well as the proud Ethiopian Dynasty. Administrations, governments and kingdoms that strived to secure the wellbeing of its people. In order to secure said wellbeing, these systems needed financing and monetary resources collected from the populace. Therefore, the birth of taxation. Taxes levied in these establishments of old were against land, homes, estate, slaves, trade, animals, personal items and monetary wealth. We have since evolved. However, the granular fundamentals of taxation are strikingly similar.

Currently, Kenyan residents are required to declare their income to the Kenya Revenue Authority (KRA) annually in order to "give to Caesar what belongs to Caesar". By the 30th of June every year Section 52 (B) of the Income Tax Act requires us to declare our income for the prior calendar year. For example, by the 30th June 2020 resident taxpayers are expected to file their individual tax returns for the period 1st January 2019 to 31st December 2019. In order to do that, a resident individual will require the following at the bare minimum: his/her P9 Form from the employer, insurance policy relief certificate (for insurance relief) and mortgage certificate (for mortgage relief). These requirements are specific for individuals whose income constitutes employment income only. Be informed that it is within your right as an employee to receive your P9 Form from your employer upon request. This is important because employers are mandated by Section 37 of the ITA to deduct your Pay As You Earn (PAYE) and remit these deductions on your behalf to KRA. Your P9 Form will confirm the employment deductions for the year of income.

In an attempt to demystify the otherwise "challenging" process you need to have your P9 form and iTax Log-in credentials. If you do not have either, contact your employer or KRA respectively.

For resident individuals with employment income only, there are two options of filing your individual tax return for the year 2019:

The first option is the quickest and involves following the steps below:

- **Step 1:** Login in your iTax account.
- **Step 2:** In the "Returns" tab select "ITR for Employment Income Only"
- **Step 3:** Directly feed in the details progressively where relevant.
- **Step 4:** Submit at the end of the trail.

The second option involves populating your employment income details in an excel file by following these steps:

- **Step 1:** Log into your iTax account and select the tab "Return" then "File Return".
- **Step 2:** Confirm Type bar as "Self", Taxpayer Pin "Your Pin" and Select Tax Obligation option "Income Tax Resident"
- **Step 3:** Download the Excel BCL file. Located below point No. 5 of the page.
- After downloading and opening the BCL file proceed on with the below steps. Please note you will be populating with the cumulative totals for the year. Example if you

earn a Gross Monthly salary of KES 40,000 the total gross for that year will be KES 480,000;

- **Step 4:** Populate Basic information sheet. Kindly note that there are mandatory fields to be populated. The objective is to capture your personal details. There will be a few greyed cells you will not be able to input any details. Kindly note that the Bank Details section is greyed out when you start to fill in the sheet. At the very end of populating the excel workbook you will be able to fill that information in.
- **Step 5:** Move to the Employment Income sheet and populate in accordance with your P9 Form. All details for this section are as provided in the P9 Form.
- **Step 6:** Head to the Details of PAYE Deducted sheet and fill as indicated in your P9 Form.
- **Step 7:** Depending on the nature of your work, you may or may not have input for sheet IT Payment Credits. Consult your Tax professional on this if you have these details to fill out. If not, leave the sheet blank and move on to the next Sheet.
- **Step 8:** Tax Computation sheet fill in your cumulative Pension Contribution and Personal Relief. Thereafter confirm the total taxes due for payment or claimable from KRA.
- **Step 9:** Validate upon the above confirmation. The Validation may attract a few errors in your sheet depending on how you populated it. However, if populated correctly, you will be prompted to fill in the bank details originally left out in the sheet "Personal Information". Validate once again and there will be an auto-generated document saved in your computer. The details will be shared with you in dialogue box. Take keen note on this.
- **Step 10:** Log into iTax and upload the document generated under step 9 in the "Browse" section. Submit.

Be informed that a Kenyan Taxpayer who has a personal KRA PIN is required under Section 52(B) to file his/her annual return. If the taxpayer has no income for that year, filing a nil return is an option. In accordance to Section 83 of the Tax Procedures Act the penalties due for late filing of employment income is the higher of 5% of the taxes due or KES 10,000. Therefore, it is imperative to file your return.

In conclusion, your PAYE is a deduction from your gross salary. Filing your employment income return is a cross reference to ensure your employer remitted these deductions to KRA on your behalf.

Therefore, this process is not to further burden an already struggling taxpayer. It simply ensures that Caesar gets his due.

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