THE 2023/24 BUDGET HIGHLIGHTS

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THE 2023/24 KEY BUDGET HIGHLIGHTS

Dear Esteemed Client,

The budget for the FY 2023/24 marks the beginning of the current government fiscal year. The Government's 2023/24 Fiscal Strategy is premised on the theme:

"Bottom-up economic transformation and climate change mitigation/adaptation for improved livelihoods of Kenyans."

The total budget for the fiscal year 2023/24 is set at Kes 3.7 trillion. This allocation comprises Kes 2.53 trillion in recurrent expenditures, Kes 743.5 billion in development expenditures and Kes 385.4 billion in county equitable shares. Fiscal policy over the medium term focuses on supporting the government's Bottom-Up Economic Transformation Agenda (BETA) while aiming to slow down annual growth in public debt and improve liability management without compromising service delivery. It is expected that these measures will enhance the country's debt sustainability position.

The government projects the fiscal deficit to decline to Kes. 718.0 billion. The fiscal deficit is to be financed through net external financing of Kes 131.5 billion and domestic financing of Kes 586.5 billion.

1. ECONOMIC ANALYSIS

The economic growth for 2022 slowed down to 4.8 percent from 7.6 percent in 2021 as a result of suppressed agricultural production, owing to adverse weather conditions.

Growth in 2022 was supported by the services sector particularly transport and storage, financial and insurance, information and communication, and accommodation and food services.

The economy is expected to rebound and expand by 5.5 percent in 2023 supported by broad-based private sector growth, including continued strong performance of the services sector, recoveries in agriculture and ongoing public sector investments.

The macroeconomic environment remains generally stable despite inflation rate remaining above the 7.5% upper bound target since June 2022. The tight monetary policy stance together with the expected improved agricultural production is expected to drive inflation down towards the 5 percent target.

The growth outlook over the medium term will be reinforced by the implementation of the strategic priorities under the Kenya Kwanza Government's Bottom-Up Economic Transformation Agenda (BETA).

The fiscal policy aims at undertaking a growth-friendly fiscal consolidation to preserve debt sustainability. This will reduce the fiscal deficit from 5.8 percent of GDP in the FY 2022/23 to 4.4 percent of GDP in FY 2023/24 and further to 3.6 percent of GDP in the FY 2026/27.

Achievements under the New Administration:
Since assumption into office in September 2022, the new Government:

- ✓ Established the Hustler Fund to provide access to affordable credit to individuals and MSMEs and encourage savings;
- ✓ Subsidized the cost of fertilizers and invested in biotechnology research and uptake of drought tolerant crops to promote food security;
- ✓ Granted duty waiver for importation of key food products to bridge the food stocks deficit as well as lower and stabilize food prices;
- ✓ Initiated the National Tree Planting Campaign to mitigate against the adverse effects of climate change;
- ✓ Appointed four Court of Appeal judges and two judges of the environment and land court to strengthen the independence of the Judicial System. Further, escalated actualization of the Judiciary Fund that will increase allocation of resources to match the needs of enhancing access to justice;
- ✓ Enhanced independence of the National Police Service (NPS) by granting them financial autonomy;
- ✓ Digitized and automated 3,570 of Government services through the e-Citizen platform to ease access to Government services;
- ✓ Returned the port operations to Mombasa to revamp the coastal economy and give importers choice on cargo clearance;
- ✓ On education: i) employed over 30,000 teachers to improve national teacher-pupil ratio; ii) introduced a new funding model for higher education to make them inclusive and financially self-sufficient; and iii) redesigned the Competency-Based Curriculum (CBC) to make it responsive to our educational needs; and
- ✓ Introduced Government-to-Government arrangement for oil importation to provide a longer-term supply plan for fuel and ease the monthly demand for the US dollar in the country.

2. THE BOTTOM-UP ECONOMIC TRANSFORMATION AGENDA

2.1. Overview of the Bottom-up Economic Agenda

The Government's Bottom-Up Economic Transformation Agenda is geared towards economic turnaround and inclusive growth. Special focus is on interventions that: reduce the cost of living; increase employment; incentivize investment and production; achieve more equitable distribution of income; enhance social security, expand tax base for more revenue; and increase foreign exchange earnings. The Agenda aims to increase investments in at least five sectors envisaged to have the largest impact and linkages to the economy as well as on household welfare. These include:

i) Agricultural transformation and inclusive growth;
ii) Micro, Small and Medium Enterprise (MSME);
iii) Housing and Settlement;
iv) Healthcare; and
v) Digital Superhighway and Creative Industry

The budgeting process for the priority programmes under BETA was undertaken through a value chain approach under the above five clusters. In this regard, Kshss 278.7 billion has been allocated in the FY 2023/24 under the five clusters.

In addition, to implement BETA, the Government has identified nine key value chain areas for implementation, namely:

i) Leather;
ii) Cotton;
iii) Dairy;
iv) Edible Oils;
v) Tea;
vi) Rice;
vii) Blue Economy;
viii) Natural Resources Including Minerals & Forestry); and
ix) Building Materials

2.2. Agricultural Transformation and Inclusive Growth

This intervention aims at ensuring food security in the country through climate change mitigation and adaptation, thereby reducing the cost of living. This intervention is also aimed at creating jobs as agriculture has the highest employment multiplier effect owing to its strong forward and backward linkages to other sectors of the economy. In FY 2023/24 budget, Kshs 49.9 billion has been allocated. Key allocations in this budget include:

- Kshs 4.5 billion Fertilizer Subsidy Programme;
- Kshs 1.4 billion Small Scale Irrigation and Value Addition Project;
- Kshs 2.1 billion Kenya Cereal Enhancement Programme;
- Kshs 2.7 billion National Agricultural and Rural Inclusivity Project;
- Kshs 8.6 billion National Agricultural Value Chain Development Project (NAVCDP);
- Kshs 2.8 billion Emergency Locusts Response;
- Kshs 1.5 billion Climate Smart Agricultural Productivity Project;
- Kshs 1.3 billion Enhance Resilience for Food Production and Nutrition Security Programme;
- Kshs 8.1 billion Blue Economy Priority Projects;
- Kshs 7.5 billion Improve Livestock Production;
- Kshs 350 million Development of the Leather Industry Park;
- Kshs 1.2 billion Processing and Registration of Title Deeds
- Kshs 893 million Digitization and construction of Land Registries.

2.3. Transforming the Micro, Small and Medium Enterprise (MSME) Economy

This entails correcting market and institution failure problems through schemes that will ensure that benefits of growth are fairly distributed. This will promote accessibility to affordable credit to most Kenyans at the bottom of the pyramid through the Hustlers Fund. Key allocations include:

- Kshs 10.0 billion Hustlers Fund Kshs 175 million Youth Enterprise Development Fund Kshs 182.8 million Women Enterprise Fund.
- Kshs 300 million Provision of Finances to SMEs in the Manufacturing.

2.4. Housing and Settlement

This intervention aims at reducing proliferation of slums and hence preserve human dignity. Additionally, it aims to create quality jobs for over 100,000 youths. This will be done through, among other measures, facilitating delivery of 250,000 houses per annum and enabling low-cost housing mortgages. In FY 2023/24 budget, Kshs 35.3 billion has been allocated for the housing programme. This includes:

- Kshs 5.1 billion Construction of Markets;
- Kshs 5.0 billion Kenya Affordable Housing Project (Kenya Mortgage Refinance Company);
- Kshs 3.2 billion Construction of Affordable Housing Units;
- Kshs 5.6 billion Kenya Informal Settlement Improvement Project – Phase II;
- Kshs 1.0 billion Construction of Housing Units for National Police and Kenya Prisons; Kshs 7.2 billion Kenyan Urban Programme (KenUP);
- Kshs 3.3 billion Construction of Social Housing Units.

2.5. Affordable Healthcare to All

This entails promoting access to quality and affordable healthcare through the Universal Health Coverage programme. In FY 2023/24 budget, the sector has been allocated Kshs 141.2 billion. Key allocations to the sector include:

- Kshs 18.4 billion Universal Health Coverage;
- Kshs 5.9 billion Managed Equipment Services;
- Kshs 4.1 billion Free Maternity Health Care;
- Kshs 1.7 billion Medical Cover for the Elderly and Severely Disabled in our Society Kshs 21.6 billion Kenyatta National Hospital;
- Kshs 12.8 billion Moi Referral and Teaching Hospital;
- Kshs 8.8 billion Kenya Medical Training College;
- Kshs 4.6 billion Vaccines and Immunizations;
- Kshs 2.4 billion Kenya National Hospital Burns and Paediatrics Centre;
- Kshs 2.5 billion Construction and Strengthening of Cancer Centers;
- Kshs 24.8 billion Global Fund (HIV, Malaria, TB).

2.6. Digital Superhighway and Creative Economy

Digitization and automation will increase productivity and competitiveness through eliminating information asymmetry in market access and risk management. To achieve these aspirations, Kshs 15.1 billion has been allocated to fund initiatives in the ICT sector. This includes:

- Kshs 4.8 billion Horizontal Infrastructure phase 1 – EPCF for Konza;
- Kshs 1.2 billion Konza Data Centre and Smart City Facilities;
- Kshs 5.7 billion Construction of KAIST at Konza Technopolis;
- Kshs 600 million Government Shared Services;
- Kshs 475 million Construction of Konza Complex Phase 1 B;
- Kshs 1.3 billion National Optic Fibre Backbone Phase II Expansion Cable;
- Kshs 583 million Last Mile County Connectivity Network.

3. OTHER KEY ALLOCATIONS TO THEMATIC AREAS

3.1. Improving National Security

Enhanced national security will create an enabling environment for business to thrive while aiding faster economic recovery. For this reasons, Kshs 338.2 billion has been allocated to support operations of the National Police Service, Defence, the National Intelligence Service and Prison Services. The proposed allocations include:

- Kshs 8.8 billion Lease Financing of Police Motor Vehicles;
- Kshs 5.7 billion Police and Prison Officers Medical Insurance Scheme;
- Kshs 2.9 billion Group Personal insurance for police and prisons;
- Kshs 856 million equipping the National Forensic Laboratory;
- Kshs 500 million Police Modernization programme

3.2. Supporting Manufacturing Sector for Productivity and Job Creation

To improve productivity in the sector, the Government has adopted a value chain approach through the Bottom-Up initiative that will address the bottlenecks that impede the growth of manufacturing sector and enhance the country's competitiveness. As such, Kshs 26.9 billion has been allocated in FY 2023/24 under various implementing Ministries, Departments and Agencies Key allocations to the sector include:

- Kshs 4.7 billion Establishment of County Integrated Agro-Industrial Parks;
- Kshs 3.0 billion Construction of EPZ Flagship Projects;
- Kshs 1.5 billion Kenya industry and Entrepreneurship Project;
- Kshs 500 million Development of SEZ Textile Park Naivasha;
- Kshs 250 million Construction of an Effluent Treatment Plant at Kenanie.

3.3. Infrastructure Development for Inclusive Growth Road Construction

The Government will continue to invest in road infrastructure by completing all roads under construction. The Government will also prioritize upgrading and maintaining rural access roads as well as improve road infrastructure in urban informal settlement and critical national and regional trunk roads that have the highest immediate economic impact. Towards this end, Kshs 244.9 billion has been allocated in the FY 2023/24. This include:

- Kshs 113.9 billion Construction of Roads and Bridges;
- Kshs 50.9 billion Maintenance of Roads; and
- Kshs 80.1 billion Rehabilitation of Roads.

3.4. Rail and Ports Construction

The Government will intensify national connectivity through rail and port infrastructure to foster an enabling environment for economic recovery and inclusive growth. Connectivity to rail and ports will continue to open many areas to economic activities and spur growth in other sectors of the economy. To continue improving rail transport and construction of ports, the following allocations have been proposed in the FY 2023/24:

- Kshs 37.4 billion for Standard Gauge Railway;

- Kshs 2.6 billion Dongo Kundu Special Economic Zone;
- Kshs 727 million for construction and expansion of airports and airstrips;
- Kshs 579 million for Rehabilitation of Locomotives;
- Kshs.500 million for the Smart Driving License;
- Kshs 489 million for Development of Nairobi Railway City;
- Kshs 300 million for acquisition of ferries for Lake Victoria.

3.5. Reliable Energy Supply

Electricity is a vital economic and social good critical for production of consumer goods and provision of essential services such as health and security. To improve reliability and bring down the cost of power, the sector has been allocated Kshs 62.3 billion in FY 2023/24 as follows:

- Kshs 33.8 billion National Grid System;
- Kshs 11.4 billion Geothermal Generation;
- Kshs 12.1 billion Rural Electrification;
- Kshs 1.4 billion Development of Nuclear Energy and Exploration and Mining of Coal;
- Kshs 3.2 billion Alternative Energy Technologies.

3.6. Environmental Protection, Water and Natural Resources

To support environment and water conservation and respond to climate change, the following allocations have been set aside for the FY 2023/24:

- Kshs 81.0 billion Expand Access to Clean and Adequate Water for Domestic and Agricultural Use;
- Kshs 14.3 billion Forests and Water Towers Conservation;
- Kshs 8.8 billion Wildlife Security, Conservation, and Management;
- Kshs 3.6 billion Kenya Financing Locally Led Climate Action Project;
- Kshs 3.8 billion Environment Management and Protection;
- Kshs 1.5 billion Meteorological Service;
- Kshs 1.9 billion Human Wildlife Conflict Compensation and Wildlife Insurance.

3.7. Sustained Investment in Social Services for the Welfare of Kenyans

Quality and Relevant Education

The Government will continue to address inequities in our education system to level the playing field for all children irrespective of their background. To improve educational outcomes in the Country, Kshs 628.6 billion has been allocated in the FY 2023/24. Key allocations include:

- Kshs 77.8 billion free primary and Day Secondary Education (Including NHIF) Kshs 25.5 billion Junior Secondary School Capitation;
- Kshs 4.9 billion School Feeding Programme;
- Kshs 4.8 billion Recruitment of 20,000 Intern Teachers;
- Kshs 5.0 billion Examinations Fee Waiver;
- Kshs 316.7 billion Teachers Service Commission;
- Kshs 1.3 billion Competency Based Curriculum (CBC) Training of Teachers;
- Kshs 6.0 billion Primary and Secondary Infrastructure including classrooms for Junior Secondary Schools;

- Kshs 400 million Digital Literacy Programme and ICT Integration in Secondary Schools Kshs 30.3 billion Higher Education Loans Board (HELB);
- Kshs 97.5 billion University Education Kshs 749 million Research, Science, Technology and Innovation.

3.8. Protection for Vulnerable Groups

The Government will continue with programmes aimed at protecting vulnerable segment of our society. In FY 2023/24 Kshs 38.2 billion has been set aside for social protection and affirmative actions. These allocations include:

- Kshs 18.0 billion Cash Transfers to Elderly Persons;
- Kshs 7.9 billion Cash Transfers to Orphans and Vulnerable Children; Kshs 5.7 billion Kenya Hunger Safety Net Programme;
- Kshs 1.2 billion Cash Transfer to Persons with Severe Disability;
- Kshs 400 million Presidential Bursary for the Orphans;
- Kshs 3.3 billion Kenya Social and Economic Inclusion Project;
- Kshs 900 million Child Welfare Society of Kenya;
- Kshs 459 million National Development Fund for Persons Living with Disabilities.

3.9. Equity, Poverty Reduction, Women and Youth Empowerment

To empower and support businesses owned by youth and women, allocations for the FY 2023/24 include:

- Kshs 602.0 million Kenya Youth Empowerment and Opportunities Project
- Kshs 13.1 billion National Youth Service;
- Kshs 192 million Youth Employment and Enterprise (Uwezo) Fund;
- Kshs 300 million Youth Empowerment Centres;
- Kshs 229.7 million VIVA Youth Programme;
- Kshs 249 million to Support the Film Industry;
- Kshs 175.0 million Youth Fund Kshs 245 million Strengthening Prevention and Response to Gender Based Violence in Kenya Project.

Additionally, to promote regional equity, reduce poverty and enhance social development, the FY 2023/24 budget has set aside:

- Kshs 53.5 billion National Government Constituency Fund (NG-CDF);
- Kshs 10.9 billion Equalization Fund;
- Kshs 3.0 billion National Government Affirmative Action Fund (NG-AAF).

3.10. Continued Support to Counties for Enhanced Service Delivery

The National Government has continued to support the County Governments to ensure that devolution succeeds. In the FY 2023/24, County Governments have been allocated Kshs 442.1 billion, which comprises of:

- Kshs 385.4 billion from the equitable share of revenue raised nationally;
- Kshs 11.0 billion as additional conditional allocations from the National Government share of revenue;

- Kshs 33.2 billion as conditional allocation from the Development Partners;
- Kshs 12.5 billion as unconditional allocations.

3.11. FY 2023/24 Allocation to the County Governments

The proposed allocation of the Kshs 385.4 billion equitable share for each County Government in FY 2023/24 as follows

County	Equitable Share (Ksh billion)	County	Equitable Share (Ksh billion)	County	Equitable Share (Ksh billion)
Baringo	6.6	Kisumu	8.4	Narok	9.2
Bomet	7.0	Kitui	10.8	Nyamira	5.3
Bungoma	11.1	Kwale	8.6	Nyandarua	5.9
Busia	7.5	Laikipia	5.4	Nyeri	6.5
Elgeyo/Marakwet	4.8	Lamu	3.2	Samburu	5.6
Embu	5.3	Machakos	9.5	Siaya	7.3
Garissa	8.2	Makueni	8.4	Taita Taveta	5.0
Homa Bay	8.1	Mandera	11.6	Tana River	6.8
Isiolo	4.9	Marsabit	7.6	Tharaka Nithi	4.4
Kajiado	8.3	Meru	9.9	Trans Nzoia	7.5
Kakamega	12.9	Migori	8.3	Turkana	13.1
Kericho	6.7	Mombasa	7.9	Uasin Gishu	8.4
Kiambu	12.2	Muranga	7.5	Vihiga	5.3
Kilifi	12.1	Nairobi	20.0	Wajir	9.8
Kirinyaga	5.4	Nakuru	13.6	West Pokot	6.6
Kisii	9.2	Nandi	7.3		

4. SUMMARY OF PROPOSED TAX MEASURES

4.1. Value Added Tax Measures

The Value Added Tax measures proposed in the 2023/24 Finance Bill are as follows:

i) LPG products have been Zero-rated from VAT to lower the cost of LPG to make it affordable.
ii) Removal of VAT for aircraft, parts and engine to support aviation sector.
iii) Exemption of machinery and equipment used in the manufacture of pharmaceuticals has been extended to locally purchased products.
iv) The VAT rate on petroleum products has been increased from 8% to 16%, noting that he differentiated VAT rates have created a loophole for the sector players to inflate their input VAT claims.
v) Exported services have been excepted from VAT.
vi) Inbound International Sea freight to be charged VAT at zero-rate.
vii) Locally purchased machinery for pharmaceutical manufacture have been excepted from VAT.
viii) Services and goods related to the construction of specialized hospitals, tourist facilities etc will be charged the standard VAT rate of 16%.
ix) The transfer of business as a going concern has been excepted from VAT.

4.2. Income Tax Measures

The government has proposed a raft of changes to the Income Tax Act. The Income Tax measures proposed in the 2023/24 Finance Bill are as follows:

i) The corporate tax for both residents and non-residents has been harmonize at the rate of 30%.
ii) The corporate tax rate for branches in Kenya has been reduced from 37.5% to 30%.
iii) Introduction of a new tax for repatriated profit for non-residents who do not distribute dividends in Kenya at a rate of 15%, which is equal to the rate charged on dividend paid to non-residents.
iv) Turnover tax rate has been increased from 1% to 3%, and the upper threshold has been lowered from Kshs 50 million Kshs 25 million, thereby pushing more SMEs to the higher income tax rate of 30%.
v) The introduction of withholding tax at a rate of 5% on the gross payment in respect to digital content monetization.
vi) The introduction of digital asset tax at a rate of 3% on the value of digital asset transferred or exchanged.
vii) The tax rate on Residential Rental Income has been reduced from 10% to 7.5% to promote compliance.
viii) Introduction of two tax bands: (i) 32.5% for monthly incomes between Kshs 500,000 and 800,000 and (ii) 35% for monthly incomes above Kshs 800,000.
ix) Interest on loans borrowed from local financial institutions shall be excluded from interest deduction restriction, and hence the same will be fully.
x) Tea purchased from Tea Factories or Auction centres for value addition shall be exempted from VAT, in order to encourage value addition of Kenyan tea.
xi) Taxation of gains on shares offered to employees in lieu of their salaries in a start-up company shall be deferred for five (5) years or till the employment ceases or till the date of sale of the shares, whichever is earlier.

xii) Investment income earned by Post-Retirement Medical Fund shall be exempted from income tax.

xiii) The Capital Gains Tax (CGT) base on transfers of property between related persons has been changed from the **sale of property** to the **original cost** before the transfer to the family members, in instances where a property is transferred to a 3rd party within a period of less than five (5) years.

xiv) Withholding tax has been introduced at the rate of 5% of the gross amounts, exceeding Kshs 24,000, paid to residents for sales promotion, marketing, and advertising services.

xv) Local manufacturing of human vaccines shall be exempted from withholding tax on interest and royalties paid to non-residents.

xvi) The Income Tax Act has been amended with regard to payment of withholding tax on rental income from twentieth (20th) day of the following month to **within five (5) working days after the deduction**.

xvii) Club membership entrance and subscriptions fees paid by the Employer on behalf of an employee shall be allowed against the Employer's income subject to tax with effect from 1st January 2024.

4.3. Miscellaneous Fees and Levies

The Miscellaneous Fees and Levies proposed in the 2023/24 Finance Bill are as follows:

i) Trustees administering trusts required to maintain and avail records to Kenya Revenue Authority (KRA).

ii) The Import Declaration Fee (IDF) charges have been reduced from the current rate of 3.5% to 2.5% and Rail Development Levy (LDL) from the current rate of 2% to 1.5%.

iii) Liquefied Petroleum Gas (LPG) has been exempted from charge of IDF and RDL fees.

iv) A Housing Levy payable by the employer and employee at a rate of 1.5% of the employee's gross monthly salary has been introduced, to support the affordable housing program and create employment for our youth.

v) Goods produced in Special Economic/Export Zones, using inputs or raw materials originating from the Customs territory, when sold in the domestic market shall be exempted from import duty.

vi) All goods purchased or imported for official use by the Kenya Defence Forces and the National Police Service shall be tax exempt.

4.4. Excise Duty Measures

The Excise Duty measures proposed in the 2023/24 Finance Bill are as follows:

i) Introduction of excise duty on imported fish at Kshs 100,000 per metric ton or 10% of the value to protect local fishing industry.

ii) Introduction of excise duty on powdered juice at a rate of Kshs. 25 per Kg.

iii) The introduction of excise duty on imported sugar at the rate of Kshs 5.0 per kg excluding the sugar imported or purchased locally for use in the manufacture of pharmaceutical products.

iv) Excise duty on imported furniture at the rate of 30% of the customs value excluding furniture originating from EAC countries has been introduced.

v) Excise duty on imported cement at a rate of 10% of the value or Kshs. 1.50 per kilogram to protect local manufacturers has been introduced.

vi) The importation of Completely Knocked Down (CKDs) kits for assembly of motor cycles shall be 10% under duty remission.
vii) The importation of import inputs for manufacture of animal feeds shall be duty-free under the EAC Duty Remission Scheme for one year.
viii) Excise duty at a rate of 15% has been introduced on fees charged on the advertisement on alcoholic beverages, betting, gaming, and lottery and prize competition to discourage consumption.
ix) The excise duty on betting, gaming, lotteries and prize competition has been increased from 7.5% to 12.5% of excisable value.
x) Excise Duty on betting and gaming activities to be remitted within 24 hours of closure of transactions.
xi) Excise duty on imported paints, vanishes, and lacquers at a rate of 15% to protect local manufactures has been introduced.
xii) Excise Duty for fees charged for telephone and internet data services and money transfer services by banks has been reduced from 20% to 15%.
xiii) Excise Duty for fees charged for money transfer services by cellular service providers or Payment Service Providers has been reduced from 12% to 10%.
xiv) The importation of inputs for assembly of smartphones locally shall be duty free. However, importation of cellular phones and smartphones shall be imposed an import duty rate of 25%

4.5. Tax Administration Measures

Tax administration is an essential tool in enhancing revenue collection. The following measures have been proposed to facilitate efficiency in tax administration:

i) Taxpayers to issue electronically generated tax invoices through the electronic Tax Invoice Management System (e-TIMS).
ii) KRA's powers to abandon tax and waive penalties and interest that currently exist has been removed.
iii) Introduction of a **one-year tax amnesty** on penalties and interest on tax liabilities accrued up to 31st December 2022 provided that the principal tax is paid by 30th June 2024.
iv) KRA to allow utilization of overpaid tax to offset outstanding tax debts and future tax liabilities.
v) KRA to pay approved refunds within a period of six (6) months, with provisions of automatic offset against outstanding tax liabilities if not paid within the specified period.
vi) KRA to provide the Taxpayer an additional thirty (30) days for the determination of complex tax cases.
vii) The scope of agency notices has been expanded to cover default in payment of instalment taxes and situations where a taxpayer has made a self-assessment but failed to pay the tax.
viii) The Commissioner General is required to provide a data management and reporting system for electronic submission of standardized transactional data on a real-time basis.

THE 2023/24 BUDGET HIGHLIGHTS

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