

TAX ALERT

KRA can now prepare your tax return for you

Pre-populated tax returns under the amended section 75 of the Tax Procedures Act, introduced by the Finance Act, 2026.

OVERVIEW

What has changed

The Finance Act, 2026 (Act No. 19 of 2026), assented to on 23 June 2026, has amended section 75 of the Tax Procedures Act (TPA), the provision that governs the use of the electronic tax system.

Beyond confirming that the Commissioner may carry out tax administration functions electronically, the amended section creates a legal framework for the Kenya Revenue Authority (KRA) to prepare a pre-populated tax return on a taxpayer's behalf.

WHY IT MATTERS

For affected taxpayers, the return will no longer start from records you compile yourself. It will start from data KRA has already gathered, and the burden shifts to you to check it, and correct it, within a short statutory window.

THE KEY DATES AT A GLANCE

End of January

Latest date for KRA to issue the pre-populated return in each year of income

2 months

To confirm or amend the return, counted from the date KRA issues it

Notice

KRA must notify you once a pre-populated return has been issued

THE LAW

Section 75 of the TPA, as amended

A subsection-by-subsection summary of the new provision.

SUBSECTION	EFFECT
75(1)–(2)	KRA may authorise the use of information technology (computer systems, mobile devices and electronic and mobile communication systems) for registration, filing of returns and documents, payment and refund of tax, and any other act required under a tax law. It may also issue and serve certificates, notices and documents electronically.
75(3)	KRA may use that technology to generate a pre-populated return on behalf of any person who is required to submit or lodge a return.
75(4)	KRA must notify the person once a pre-populated return has been issued.
75(5)	The pre-populated return is to be issued on or before the end of January of each year of income.
75(6)–(7)	The taxpayer may confirm or amend the pre-populated return within two months from the date it is issued.
75(8)	The taxpayer may rely on the pre-populated return generated by KRA to submit or lodge the return.

Source: Tax Procedures Act, section 75, as amended by the Finance Act, 2026.

OUR VIEW

What this means for you

Treat two months as a hard deadline

The window to confirm or amend runs from the date KRA issues the return, not from when you notice it.

Reliance is not protection

Section 75(8) lets you file on the basis of KRA's figures, but it does not say this shields you from assessments, penalties or interest if those figures are wrong. Check before you confirm.

Expect KRA to use the data it holds

Likely sources include eTIMS invoices, VAT, PAYE and withholding tax returns, customs import and export records, and third-party information.

Stay reachable on iTax

Because the clock starts at issue, out-of-date contact details or unmonitored iTax notifications could cost you the window.

STILL TO BE SETTLED

Questions the law leaves open

The amendment sets out the framework, but several practical points remain unclear:

- 1 Which categories of taxpayer, and which types of return, will be covered.
- 2 Which January subsection (5) refers to relative to a given year of income, an important point for businesses without a December year end.
- 3 The exact data sources KRA will draw on, and how incorrect data held by KRA can be corrected.
- 4 How notification will be given, and when a return is treated as having been issued.
- 5 What happens if a taxpayer does not respond within two months, including whether the return is deemed accepted.
- 6 Whether a confirmed return can later be amended, and how penalties and interest apply where a taxpayer relied on a pre-populated return.

LOOKING AHEAD

Regulations are expected

We expect regulations in the coming months to set out how these provisions will work in practice, including on the open questions above. We are tracking developments and will update clients as soon as they are published.

What to do now

01 Update your iTax profile

Confirm that your registered email address and mobile number are current, and name the people responsible for watching iTax notifications.

02 Reconcile before filing season

Match your eTIMS invoices, PAYE and withholding tax records and other third-party data to your books now, so differences are resolved before KRA issues a return.

03 Keep your evidence ready

Hold supporting documents for income, expenses and credits claimed, so any amendment to a pre-populated return can be substantiated.

HOW OGP CAN HELP

Our tax team can review your pre-populated return against your own records, prepare the reconciliations behind any amendment, and represent you in discussions with KRA where its data does not match yours.

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