

Gender and the Taxation Regime in Kenya

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Introduction

- TARMP a feature of Kenyan Tax system, but intensified over the past one decade ;
- Objective of TRAMP: Revitalization of HR; Modernization of internal processes; Customer focus;
- Tax Procedures Code 2015: Harmonized and consolidated rules governing tax administration procedures and laws

Introduction... cont'd

- VAT Act overhauled in 2013;
- Excise Taxes procedures being fine-tuned;
- Income Tax Act currently undergoing major review;
- Implicit and explicit gender discrimination will hopefully be addressed during review.

Tax Compliance Framework

- Registration
- Filing
- Declaration
- Payment

Gender Issues in Taxpayer Registration

1. Registration on ICT Platform – iTax

- Taxpayer data must be corroborated by those domiciled in the National Registration Bureau
- Mother's maiden name required;
- Implicit discrimination against other nationalities married to Kenyan citizens (majority being women)

Gender Issues in Taxpayer Registration...cont'd

1. Requirement of email address for registration a huge hindrance

- Internet penetration 45%; much lower for rural women;
- Low access to (or inability to use) computers and smart phones
- Mobile phone penetration is 88% in Kenya;
- Poor participation of women in formal economy, thus increasing burden on men

Gender Issues in Taxpayer Registrationcont'd

- Registration for Turnover Tax – not meeting its objectives
 - i. Quarterly submission
 - ii. Paperwork
 - iii. Professional Fees

Gender Issues in Tax Return Filing

- Conceptualization of a household as a man-headed unit (more than 40% of small-holder farms; 80% of total labour in food production);
- Married women can choose to submit tax returns separate from their husbands' (FY 2000)
- Reference to a married woman's employment income; professional income; self-employment income still rampant;
- Self Assessment requirement is cumbersome and expensive for poor rural taxpayers (mostly women; men live in towns)

Gender Issues in Tax Return Filing...

cont'd

- Sec. 45 (ITA), Deeming Section (very offensive):

‘the income of a married woman living with her husband shall be deemed to be the income of the husband for the purpose of ascertaining his total income, and shall be assessed on, and the tax thereon charged on, the husband...’

Gender Issues in Income Declaration

- Tax Reliefs given to each person with income;
- Seasonal workers (mostly women) may have tax refunds paid to husbands;
- Tax reliefs ignore the domestic duties and subsistence farming by women;

Gender Issues in Income Declaration

...cont'd

- Rent income from jointly-owned property – declared in the husband's return;
- However, tax arrears may be recovered from the wife proportional to shareholding;
- For cultural reasons, many men end up paying the tax;

Gender Issues in Tax Payment

- rural women) end up paying taxes on income they have not received (shareholding; partnerships)

Other Gender Issues

- Lack of harmony between Affirmative Action and Tax Policy
- Example: Women Enterprise Fund in Kenya – No special arrangement for them

Conclusion

- Need to re-evaluate the thinking of neutrality of tax;
- Roles assigned by society to different genders have different tax implications;
- Tax policy should be in sync with empowerment policy;
- Need to remove all implicit and explicit gender discrimination from tax codes.

Q & A