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REMINDER ON THE NATIONAL INDUSTRIAL TRAINING AUTHORITY LEVY PAYMENTS FOR THE YEAR 2021

The Industrial Training (Training Levy) (Amendment) Order, 2020 which was gazetted on 21st February 2020, introduced various changes to the Industrial Training (Training Levy) Order, 2007. The amendments introduced became effective as from 23rd December 2019.

Further, the Order provided that a person who is an employer shall, within thirty days after its commencement, apply to the Director-General (“the Director”) of the National Industrial Training Authority (“NITA”) in the prescribed form set out in the Second Schedule, to be registered as an employer and remit the Levy, unless already registered.

One of the major changes introduced vide the amendment order is the requirement for all employers to remit a levy of KES 600 per employee per year to the Director of NITA at the end of each financial year. Previously, employers were required to remit a monthly levy of KES 50 per employee.

With the year 2021 having come to an end, the NITA levy for the year is now due. As it has been, all NITA amounts due have been captured on iTax as they are filed together with the monthly PAYE filings for the year.

The total amounts due are payable together with the December 2021 PAYE on or before 9th January 2022. Employers will be required to generate two payment slips (one for PAYE which is under income tax and a second for NITA which is under agency revenue).

For tax payers who did not file the NITA amounts together with the PAYE returns for the respective months, iTax is allowing such tax payers to declare the amounts when filing the December 2021 return.

Offence and penalties

- Failure to pay the amount due shall attract a 5% penalty on the amount due and payable as provided for under Section 5B (3) of the Industrial Training Act.
- Failure to comply with the registration requirement constitutes an offence that attracts a fine of up to KES 100,000 and a penalty not exceeding KES 50,000 for every year or part thereof for continuance of non-compliance.

Caveat

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