



OVERVIEW OF MINIMUM TAX

What is Minimum Tax?

Minimum Tax is a base income tax, payable by all persons regardless of whether or not they make a profit.

What is the rate of Minimum Tax?

The rate of Minimum Tax is 1% of the gross turnover of the company.

What is the effective date for Minimum Tax?

The effective date for Minimum Tax is 01/01/2021.

When is the due date for filing and paying Minimum Tax?

The tax shall be paid in instalments and shall be due on the 20th day of each period ending on the 4th, 6th, 9th and 12th month of the year of income.

Is Instalment Tax still applicable and payable?

Yes. Where the Instalment Tax payable by a person is higher than the Minimum Tax, then the person shall pay Instalment Tax; however, where the Minimum Tax is higher than the Instalment Tax, then the Minimum Tax shall be payable.

Incomes exempted from Minimum Tax

The following incomes are exempted from Minimum Tax:

- Income exempted by the Act
- Employment income
- Income that is subject to Residential Rental Income Tax
- Income that is subject to Turnover Tax
- Income that is subject to Capital Gains Tax
- Income of extractives sector

Benefit of Minimum Tax

This tax is meant to foster equity and fairness in the tax system as everyone pay a base tax whether they earn profits or not





MAXIMUM

HIGH

MEDIUM

LOW

MINIMUM

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