

## **Provisions as on the date of assent (19<sup>th</sup> March 2024);**

Levy imposed at a rate of 1.5% of:

- a) Gross salary of an employee.
- b) Gross income accrued which is not subject to levy under gross salary.

### **Employer**

- 1) Shall remit an amount equivalent to the employee's contribution.
- 2) Employers who remit an equivalent contribution will not be subjected to further deductions on their gross income under (b) above.

*(Possible implication of (2) above:*

*sole proprietorships and other entities that do not have employees will be exposed to higher tax on their gross income.)*

### **Penalty**

- 3% of the unpaid amount (payable each month the money remains unpaid);
- And, shall be summarily recovered as a civil debt from the employer.

### **Allowable deductions and personal reliefs**

- Employer's contribution shall be an allowable deduction under Section 15 of the Income Tax Act.
- Resident individuals who pay the Levy shall be entitled to an affordable housing relief of 15% of their contributions subject to a cap of KES. 108,000 per annum (KES 9,000 per month).

## **Provisions that may be effected by way of gazette;**

### **Exemption**

- Upon a Gazette notice (so, exemption from AHL may only be applicable if it is Gazetted)