

## **Mobile Application to Enable & Facilitate Tax Compliance**

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### **Abstract**

In the 2000's, mobile phones became increasingly similar to small computers, with their own operating systems.

Tax administration and technological innovation have become inextricably entwined. Because of the enormous impact that digital technologies can have on how taxes are administered, Governments should exploit these technologies to innovate and improve tax administration.

KRA noticed this and in its 6<sup>th</sup> corporate plan aims at making ICT a game changer in coming up with Technological Innovative ideas that can enable it to tap into improvement in revenue collection and enhancement of various work and customer service processes.

Recognizing the fact that today's smartphone users were not being fully served via the current iTax web site and traditional phone assistance to access KRA resources, this paper aims to justify why an application specifically designed for the tax authority, can ensure individuals and as many small businesses interact with KRA.

**Keywords:** (Smartphone Apps, App Usage Behavior's, Mobile Application; Mobile characteristics)

**JEL code:** Urban, Rural, Regional, Real Estate and Transportation Economics

## 1.0 INTRODUCTION

### 1.1 Background of the study

Mobile applications are a rapidly developing segment of the global mobile market. They consist of software that runs on a mobile device and performs certain tasks for the user of the mobile phone. Also known as downloadable mobile applications are common on most phones, including inexpensive, entry - level models. Their wide use is due to the many functions they perform, including providing user interfaces for basic telephony and messaging services, as well as for advanced services such as games and videos.

### 1.2 Problem Statement

When it comes to taxes, people want them done right and on time, one should not wait for the last date to file tax returns. One should be able to their file tax returns directly with the income-tax department whenever they want and at whatever time they want. They should not be restricted to only filing at a specific given time. They should have the leeway to be able to do so at their convenience

KRA recently abolished manual filling of tax returns. Currently two ways of doing this is through

- An appointed agent or
- You can file online. (<https://itax.kra.go.ke/KRA-Portal/>)

The screenshot shows the Kenya Revenue Authority's iTax Online Service Area. At the top, there is a red navigation bar with links for 'Welcome to iTax Online Service Area', 'FAQs', 'Forms', 'Report Problem', 'Contact us', 'Online Help', and 'iTax Videos'. The main header features the Kenya Revenue Authority logo on the left and the 'iTax' logo with the tagline 'Simple, Swift, Secure' on the right. The main content area is divided into several sections: 'Do you have a PIN?' with a text input field for 'Enter PIN/User ID' and a 'Continue' button; 'Do you want to apply for a PIN?' with a 'REGISTER' button and a link for 'New PIN Registration'; 'iTax Online eServices' containing links for 'PIN Checker', 'TCC Checker', 'WHT Checker', 'Status Checker', and 'Agent Checker'; and 'Need Assistance?' with icons for 'Contact Us', 'Report Problem', 'FAQs', and 'Online Help'. The footer includes the 'KENYA VISION 2030' logo, contact information for the Times Tower, and the 'Powered By TATA' logo.

Figure 1 : Kenya Revenue Authority's Online Portal - iTax

There have been instances of people not being able to pay their taxes or upload their income tax returns due to system failures caused by too much last-minute rush. When many users try to access KRA systems during the final days of filing returns, this excessive usage of CPU, memory (including swap) & disk I/O usually leads to system crashes and restarts (See Figure 2). Moreover, when time is running short, chances of making a mistake only increase.



Figure 2 : Newspaper Extract (Taxman's system caves in under pressure)

In this technologically advanced age, online tax preparation should be made possible by letting people effortlessly prepare and file their taxes on the go. With millions of individuals joining employment, starting their own businesses each year, this research paper aims to look at how mobile application services can make it even easier for these taxpayers to file their returns and engage tax administrators on the other services offered by them.

## 2.0 CONCLUSION

The use of mobile Apps in Tax Administration has great benefits and advantages. It's a tedious design process but nevertheless, mobile apps can provide a competitive advantage and even more so if the business wants to actively offer additional services to existing customers, mobile apps may provide an efficient channel for customer service and upselling.

In design, developers would have to consider user experience as well as time and cost constraints to make the best choice. User requirements and functionality should be the focus in the application design.

By implementing this mobile app Kenya Revenue Authority will be shifting the customer service paradigm by improving service accessibility through a technological platform.



## References

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