

Shah Patel & Company

ASSURANCE • TAXATION • ADVISORY

THE INDUSTRIAL
TRAINING -NITA
(AMENDMENT ACT)
2022

NATIONAL INDUSTRIAL TRAINING AUTHORITY (NITA)

The Industrial Training (Amendment) Bill 2022 was signed into law on 4th April 2022. This was aimed at bringing changes to the already operational provisions of the Industrial Training Act CAP 237, which governed the training of employees in different sectors of the economy.

The following are the amendments that were introduced by the Industrial Training (Amendment) Act, 2022:

1. **Collection of NITA Levy** – Previously, the collection of the levy was done by the NITA Authority. This position has now been amended and now collection will be done by the Commissioner General – Kenya Revenue Authority (KRA). This move is necessitated by the ability of KRA in having a better capacity of handling revenue collection as opposed to NITA. The KRA Act has also been amended to incorporate the provisions of the Industrial Training Act, which will vest the powers of collection and enforcement to the KRA.
2. **Due date for the remittance of NITA Levy** – Previously, the levy was payable on or before the 9th day of the month following the end of the financial year in question. This provision has now been amended to have the levy remitted on or before the **5th day of the month** following the month in which the levy becomes due. This is aimed at speeding up revenue collection that is necessary for the operations of the NITA Authority. This change was effective from 22nd April 2022. KRA, however have given taxpayers room to make a lump sum payment of all the months leading to August 2022 for the unpaid monthly levies. This shall be communicated through a public notice to be released in the coming days.
3. **Liability of the levy to rest on the Employer** – Previously, the Industrial Training Act did not specify the liability of the levy, and employers therefore transferred the liability to the individual employees. The Act has been amended to have the levy ***not deducted from the emoluments of an employee***. This means that the liability now shifts wholly to the employer, which would cause their expenditure to effectively increase.
4. **Distribution of Training Levy** – Section 5C of the Industrial Training Act, which governed the distribution of the levies, has been repealed. The new provisions provide for the utilization of the fund as follows:
 - a) 60% of the levies collected will be used to reimburse Employers for the training costs incurred;
 - b) 20% for the establishment and operation of technical, vocational and training institutions;
 - c) 10% to go to the Higher Education Loans Board (HELB) to fund students in such institutions; and
 - d) 10% for other expenditure related to training as may be approved by the NITA Board.

Considering the effective date of 22nd April 2022, Employers should restructure the settlement of their employment costs by including the payment of the NITA Levy every month. We shall be glad to assist you in case of any further clarifications with regard to the above publication.

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