



EX- Governor Kidero's tax arrears reduced from 427 M to 19 M after consent with KRA

By CH Reporter

Former Nairobi Governor Evans Kidero will now pay Sh 19 M tax instead of Sh 427 million after entering into a consent with KRA.

This brings to an end the tax dispute that has been in court since 2016 when Kidero challenged the huge tax arrears that he owed KRA.



Former Governor Evans Kidero at Milimani Law Courts

In a consent filed at the court of appeal, both Kidero and KRA have agreed that he will pay Sh 19 million after reaching an agreement.

"The 427 million shillings as revised to 19 million shillings comprising of principal tax of 12,038,982 million shillings, penalty of 2,407,796 and interest of 5,036.405 million shillings," the consent reads.

Kidero has undertaken to pay the outstanding principal income tax liability of Sh 12 M in one instalment or before August 23 which means he has already paid the money.

According to the consent, Kidero is free to apply for remission of accrued of penalty and interest payable immediately upon payment in full of total outstanding principal tax but should he fail to do so, the entire amount of penalty and interest shall be payable immediately.

Kidero had been ordered by KRA to pay tax amounting to 427,269,795.00 million shillings

The dispute was first taken to tribunal in to 2016 by Kidero when KRA conducted an audit of Kidero's financial and business accounts for the income period of January 2011 to December 2015 and handed him a 680 million shillings tax bill that included penalties and interests.

He challenged the taxation at the tax appeals tribunal, arguing that out of the money, Sh 423 million was donations for campaigns.

However after the tribunal ruled in favor of Kidero, the taxman challenged the decision before the high court and the court ruled that he had no proof the money was from his campaign accounts and allowed the KRA to collect the disputed amount.