



Practical tips for dealing with queries made by the tax authority

By Geoffrey E. Odongo



Inquiries that are made by tax authorities may commence in the form of an informal query made with the tax payer or its agent arising from a tax return. In many cases the tone of the questions at an early stage may be casual. However, it is imperative not to take the queries seriously adhering to the following tips:

1. Seek professional advice to guide you on matters such as whether the query or notice you have received is valid taking into account statutory timelines for the making of inquiries relating to tax returns. Noting that it is important to raise as a procedural point as soon as possible during ongoing correspondence as this may help conclude a potential dispute summarily hence saving you time and other resources.

2. Avoid placing yourself in a technical disadvantage by setting out your technical arguments in full prematurely and before properly understanding the nature of the query. A tax payer may be inclined to do this in the mistaken assumption that such action will aid in avoiding a drawn out process with the tax authority.

3. Where the tax authorities require the Taxpayer to respond to correspondence such response should be made in a timely fashion within set deadlines. This avoids creating the impression that the taxpayer is uncooperative. Also where the tax payer notes that

meeting the deadline is not possible then it is good practice to make a written request seeking an extension to the deadline.

4. Where a request is made by the tax authority for additional information and documentation it is prudent for the tax payer to review such request so as to avoid providing that which is not strictly needed so as to conclude the inquiry. This avoids prompting irrelevant lines of investigation and prolonging the matter. In addition before responding to such inquiries one needs to consider the possible breach of obligations owed to other parties such as legal professional privilege or data protection legislation.

5. Where the tax authority proposes to meet you as the tax payer it is prudent to ask in advance for a detailed agenda for the meeting. Moreover, during the meeting it is important to take detailed notes on the matters discussed.

At AIP Advocates, we have lawyers who will guide you on legal matters arising from tax matters while ensuring your interests are protected.

Do reach out to us on the contacts below for assistance:

Nairobi Office: +254 722 367 647

Mombasa Office: +254 708 158 832

Kisumu Office: +254 776 401 133