



THE REPUBLIC OF KENYA

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**THE INCOME TAX (SET-OFF TAX REBATE FOR
GRADUATE APPRENTICESHIPS) REGULATIONS**

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Income Tax Act

The Income Tax (Set-Off Tax Rebate for Graduate Apprenticeships) Regulations

Legal Notice 97 of 2016

Legislation as at 31 December 2022

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The Income Tax (Set-Off Tax Rebate for Graduate Apprenticeships) Regulations (Legal Notice 97 of 2016)

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INCOME TAX ACT

THE INCOME TAX (SET-OFF TAX REBATE FOR GRADUATE APPRENTICESHIPS) REGULATIONS LEGAL NOTICE 97 OF 2016

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1. Citation

These Regulations may be cited as the Income Tax (Set-off Tax Rebate for Graduate Apprenticeships) Regulations and shall come into operation on the 1st April, 2016.

2. Interpretation

In these Regulations, unless the context otherwise requires-

"graduate apprentice" means a university graduate who is bound by a written contract of apprenticeship to serve an employer for a period of at least six to twelve months during any year of income;

"contract of apprenticeship" means a written agreement which provides for specific terms of apprenticeship and employment including but not limited to job training;

"Director-General" means the Director-General appointed under section 4 (c) of the Industrial Training Act (Cap. 237);

"employer" has the meaning assigned to it under the Employment Act (Cap. 226):

"tax rebate" means an allowable expenditure that is in addition to the expenditure already allowed under section 15 (1) of the Act;

"university graduate" means a graduate from a university who has at least a bachelor's degree from a university recognized in Kenya;

3. Eligible employer

An employer who is subject to tax under section 3 of the Act, other than an employer whose income is wholly exempt, shall, subject to section 39B of the Act, be eligible for a tax rebate.

4. Engagement of an apprentice

An employer shall not engage graduate apprentice without the written permission of the Director-General of the National Industrial Training Authority.

5. Contract of apprenticeship

- (1) An employer shall, before engaging a graduate apprentice, enter into a contract of apprenticeship with the graduate apprentice for a period of apprenticeship of six to twelve months and register the contract with the Director-General of the National Industrial Training Authority.
- (2) A contract of apprenticeship shall not be binding unless it has been registered by the Director-General of the National Industrial Training Authority.

6. Issuance of apprenticeship certificate

- (1) An employer of an apprentice shall, on satisfactory completion of the apprenticeship, submit a certificate of completion in the prescribed form, to the Director-General and issue a copy of the certificate to the apprentice.
- (2) The Director-General shall, upon receiving a certificate of completion under paragraph (1), issue a certificate of apprenticeship to the apprentice.

7. Maintenance of records

An employer who is eligible for deduction of a tax rebate shall maintain certified copies of the contract of apprenticeship and the apprenticeship certificate for every apprentice certified by the Director General.

8. Deduction of tax rebate

Notwithstanding section 15 of the Act, an employer shall, subject to regulation 7, deduct a tax rebate equal to fifty percent of the amount of salaries and wages paid to at least ten apprentices.

9. Time limit for deduction of tax rebate

No deduction for a tax rebate for an apprentice shall be allowed after a period of three years from the due date of the employer's last tax return.